Ontario. Royal Commission on
Book Publishing.
Hearings, 1971

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ONTARIO

ROYAL COMMISSION ON BOOK PUBLISHING

Hearings

Mr. Richard Rohmer, Q.C.	Chairman
Dr. Marsh Jeanneret	Commissioner
Mr. Dalton Camp	Commissioner

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252 Bloor Street West, Toronto,
Ontario, May 13th, 1971

June 1

This transcript has not been edited, corrected or revised by the Commissioners, but may subsequently be edited, corrected or revised

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Miss E. Lillian Handford, Vice-President, Ontario; Mrs. John Harbron; Mrs. Tim Reid; Prof. Clara Thomas.	Canadian Federation of University Women (The Ontario Clubs)
Mr. Ian Scott, President and Mr. John E. Hastings, Librarian.	York County School Librarians' Association.
Dr. W.R. Wees, Assistant to the Coordinator, OISE.	
Mr. George A. Ramsay, President; Mrs. R.B. Moore, Director; Mr. William Roberts, Director, Mr. Bruce McCorkell, Secretary-Treasurer.	Canadian Booksellers' Association.
Miss M. Carol Wilson, President and Mrs. Lyn Harrington, Secretary-Treasurer.	Canadian Authors' Association.

Toronto, Ontario,
May 13, 1971.

--- The hearing commenced at 10.00 a.m.

THE CHAIRMAN: We have with us this morning representatives of Gage Educational Publishing Limited, Dr. M.O. Edwardh, President, Mr. J.K. Payne, Marketing Manager, Mr. R.H. Lee, Managing Editor and Mr. D.H. Ritchie, Manager of Production and Design.

We welcome you gentlemen. Our usual practice, as you are probably aware is to ask you to touch the high points of your brief this morning because you have so many high points and you will have difficulty in doing that but, in any event, if you will proceed we can then discuss the brief with you.

SUBMISSION BY GAGE EDUCATIONAL PUBLISHING LIMITED

DR. EDWARDH: Thank you, Mr. Chairman. It is a pleasure to be here this morning despite a warning that appeared in the local newspaper about the Thursday meeting. The size of the group I have is not really offensive but just in the hope that we can answer the questions you might have.

THE CHAIRMAN: We hope it is not an offensive, manoeuvre.

DR. EDWARDH: The ownership and management the intent of management is the important ingredient in publishing. The publishing

of Canadian material is facing difficult and critical times and steps must be taken to encourage the publishing of Canadiana. We firmly believe that although financial assistance could be helpful to any company and might be essential to some, such assistance will not ensure publication of more Canadiana and better Canadiana.

Action must be taken on many fronts if we are to lower costs, expand our markets and develop suitable authorship. We believe that the Inquiry of the last few weeks is most important and I would like to state if further information is required, we will make every effort to provide it and I would like to extend an invitation to the members of the Commission if they would like to see a publishing house in action to visit us at 1500 Birchmount Road.

I have looked over the recommendations, Mr. Chairman, and I am not sure that I should read them at this time.

THE CHAIRMAN: We have canvassed and read these recommendations and also the reasons you have them so that is not necessary.

DR. EDWARDH: And we will attempt to answer any questions you may have.

DR. JEANNERET: These questions are not really in the order of importance but more or less sequentially through the brief. On page 2 you give the assumption that Canadian publishing must be given the means to participate

in the production of constructional material begs a question. Will you follow that up? I know your answer but I think we should get it down. What do you mean by "Canadian publishing" in this context? The answer to the question is implied in the rest of the paragraph but you might enlarge. In other words, the definition of "Canadian publishing" just for this purpose?

MR. EDWARDH: The definition applied to paragraph 2 is material written by Canadian authors and reflecting the Canadian point of view.

DR. JEANNERET: You mention the fact that foreign-owned publishing houses as well as Canadian are finding the publishing of many Canadian projects less and less financially viable. What are the alternatives to promote the sale of American editions in Canada? I don't think you were proposing that as the alternative and reading on to the point you make based on the research of your own firm and children's writing -- and that is a very interesting bit of research -- but what are the alternatives if the publishing of Canadian projects are becoming less and less financially viable?

DR. EDWARDH: I think I have tried to enumerate later on some of the things that I have thought must be done to make it more

viable. I think we need to find larger markets in the English-speaking world for our Canadian products. We have to find ways to lower the costs of marketing and selling and the ways of reaching teachers who are now selecting materials. We need additional help in the building of formats and in books where the cost is related to the size of the market.

DR. JEANNERET: On page 10 your recommendation under (IV)(1) you recommend:

" Long-term loans should be made available to any publishing house related to the value of the Canadian materials sold."

Now, this begs the question too because obviously you are making this recommendation applicable to Canadian subsidiaries of large foreign firms and the point has been made frequently to us that it is this foreign ownership that supplies the working capital which the indigenous firm lacks. Would you like to comment on the validity of that statement? It has been made often to us.

DR. EDWARDH: My basic assumption is that it is not necessarily lack of capital that would prevent you from undertaking a project. It is the viability of it. Frequently capital is available if the projects are viable.

Just to assume that if you have more money you could publish this kind of thing is

a false and unrealistic approach.

DR. JEANNERET: I carry you back to a number of years ago, the Dick and Jane period if you will, and the question arose whether or not it would be possible to develop a new basic Canadian reading series. Another firm undertook to do this but the pressing question there was availability of capital and on that scale of speculation surely this is of a vital importance.

DR. EDWARDH: Certainly it is vital but that was not the issue at that time. As you know we did start W.J. Gage in 1959 and one of my first projects was involved in Reading for Young Canada which went on for five years experimenting, evaluating, finding Canadian writers and authors in order to publish this series.

DR. JEANNERET: I think it might be sometimes dangerous though in assuming that because a project seems to be a sound publishing speculation, therefore, the necessary investment of risk capital should be available automatically, whether the firm is Canadian or whether it is a subsidiary of a foreign firm --

DR. EDWARDH: I don't want to leave that impression. In the case of our company it was available and has been made available over the years. This was not the reason which made us go ahead in 1958 and 1959. We lacked many of the other ingredients, the story, a

different approach, which was something to be developed to make a real contribution in this field.

DR. JEANNERET: There is no criticism implied in the way I am putting this, but I think it would be reasonable to assume that the subsidiary of a large foreign publishing firm is going to have easier access to capital required for major original publishing speculative undertakings than is a firm without access to such a source of capital within its own corporate structure because if, for no other reason, the soundness of the publishing judgment involved would be understood?

MR. EDWARDH: Yes, I would accept that.

DR. JEANNERET: On page 12, I would just like to make the observation, I think that the recommendations are tremendously imaginative and also numerous which we are glad to have. I think they are deserving of careful study.

On page 20 you allude, I think, to 804 books in print. That presumably means all the primary Canadian imprints and you have a listing in Canadian Books in Print of 389. I don't mean by this to call in question your veracity or anything but there must be a lack of representation or a different basis of counting there. It is a substantial difference and it

might be checked out.

MR. PAYNE: If I might just comment on that. It was only yesterday it was brought to my attention in the office that in Canadian Books in Print we had 648 items or cards which came in to be checked.

DR. JEANNERET: Cards to be checked?

MR. PAYNE: Yes, for identity. So, I am not sure that we are in agreement on those figures.

DR. JEANNERET: The number I got from this was 389 but this is a straight matter of computing probably and I don't think we should waste time on it. It is a substantial number, in any event.

On page 21 I would just like to say that I think the summary of manufacturing and the number of titles printed over the last four years is one of the most significant of its kind that we have been presented with and I think we should procure similar summaries from other companies. I wonder where these trends, these adverse trends are taking us, however, taking Canadian educational publishing in general if they are allowed to go on unchecked? Have you any considered answer to this question?

In effect, your brief reinforces our own concerns. Perhaps you could support some of the reasons for the problems that have

been brought before us which we have not yet judged in any way, but where are we going, in your opinion? You are in an excellent position to comment on this and settling questions of subsidiary versus indigenous firms aside, if you like, for the moment, where are we going in educational publishing unless we officially interfere or intervene in some way or other? Could you comment on this at all?

If you take these stastics that you have presented seriously I am sure you would not present them because they say disaster is looming.

DR. EDWARDH: Perhaps I could comment first and then I would ask other members to comment here. They were presented to indicate the seriousness of the situation and what the diversification and fragmentation of the market has done to our publishing enterprise.

I think it is all companies, regardless of ownership, face this problem and it leaves us with this alternative, (1) to curtail publishing in part because the viability of these projects becomes less and less and there are fewer projects that you can comfortably handle. May I just comment that in the last three months the number of applications we have had from trade editors and personnel which indicates that many companies are curtailing their publishing efforts, whereas, three years ago it was most difficult to find someone who had a background and training. This is no longer the case. The situation is serious. It seems to me that there are two or three answers. The first one I have tried to suggest in the brief, that there are critical Canadian areas for publishing in my opinion. Perhaps our efforts could be devoted to these areas, the social sciences and reading programs. There are some areas that are much less critical in the field of Canadian culture. The first suggestion is that we select those areas that we consider critical. I have also suggested that if you do undertake a large program in any one of these areas that reasonable assistance be available, financial and so on, if the project is well defined. The second answer we have been searching for is to look at the English-

speaking market and we have brought with us one of our international catalogues, which is evidence of an attempt to find a larger market for our products. I think these are perhaps, now you obviously look for new ways, new format, new ways of packaging. You look closely at ways in which you might decrease your costs of producing a material and let me assure you that we have looked very carefully at this area in the past two years and we have tried to find reasons for publishing books which may only have runs of six to ten thousand, over a five-year period. I don't know whether ---

MR. LEE: I would like to add a comment. I doubt if my colleagues will necessarily be unanimously in agreement with me. I think much has been said about decentralization of decision-making. One effect this has had is the increase in purchase of imported materials and that has received most of the attention.

DR. JEANNERET: Explain what you mean by that. It is an important point.

MR. LEE: If you establish in a province guidelines of a very general nature for a course of study and then leave it to the teacher to what book best suits his needs, he will select from the materials he is aware of that are currently available.

DR. JEANNERET: With how much respect to Circular 14?

MR. LEE: I was speaking nationally. Do you want me to speak provinically?

DR. JEANNERET: Fair enough.

MR. LEE: Selection is then made from material available and it may be the choice of the teacher that a given book, whether imported or Canadian, best suits his needs. It may be a collection of literature or any subject area. Decentralization of decision-making tends to eliminate the publication of Canadianized American books. I then means that there is for a short period of time ---

DR. JEANNERET: What does it do to the publication of Canadianized books?

MR. LEE: I think it tends todiminish the opportunity for producing. You don't have a province coming to you and saying "We want the best materials that are available. We think this book best suits our needs if certain changes are made. It will be the only book used and we can guarantee a market of X ---

DR. JEANNERET: You are saying it limits the market for the Canadianized imported book. I suppose it would really destroy the market for the original Canadian book.

MR. LEE: I don't think so because I think you increase -- I can refer to our own publishing activities. The only speculative publishing we do is Canadian publishing. If we wish to produce a series

for a French program for the high schools, we have to think five or six years ahead. It is very difficult to go to Departments of Education and say "What will you need six years from now?". They don't know. We are then put in a position of having to bring together people of varying abilities to try and gain a consensus of what is needed in this field. You then establish a program on your own speculatively and then will produce the program. It is then available when people at a local level will decide they like our program or they prefer someone else's. So it is my opinion that decentralization has changed the established pattern of publishing in this country.
At the moment we are in a trough. You are finding an increase in the purchase of imported materials because others don't exist, but in our opinion it adds a stimulus to producing indigenous Canadian programs which may be lagging three or four years behind.

DR. JEANNERET: I thought your history, Dr. Edwardh, of the Reading for Young Canada Program was most fascinating and relevant and probably goes as far in the way of an organized examination of the creative potential of the children's reading level as any program I know of in Canadian publishing history. That is to say, it was a very extensive program spread over a good many years with very

broad objectives. I think it would pay us to spend a few moments on it and perhaps my colleagues will bring you back to it so we need not finish it here. Would you be good enough to file with the Commission confidentially, the sales statistics that are related to this experiment, if they are conveniently available, and perhaps also the profit and loss statistics related to those titles so that we have the picture of that experiment spread over the five years, or whatever it was. Those statistics won't be published, of course.

On page 33 -- I won't dwell on that now, but I know we will be back on it because I think that is a very valuable part of your submission. The kind of remission of corporate tax that you propose on page 33 -- I wasn't sure just what form it might take and I decided what you meant was that you would charge expenses for certain approved publishing projects, perhaps at 150 per cent or 200 per cent of actual for tax purposes. That is the sort of way it works, is that it?

DR. EDWARDH: Yes.

DR. JEANNERET: On page 44 you mentioned having paid $30,705.35 for Canadian free-lance artists for three of the Open Highways books and related workbooks. I forget if those are the specific ones that were referred to by the Society of Illustrators, but it

doesn't matter. This raised in my mind the question of whether or not this includes cost of colour separations, because if it doesn't, then inflation has gone farther in the art-fee area than I had realized. That is a fantastic figure.

MR. RITCHIE: It does not include colour separation.

MR. LEE: Six people's books we are talking about.

DR. JEANNERET: Artists' fees. It is quite conceivable that artists ---

MR. LEE: One or two photographers, I think.

DR. JEANNERET: Photographers for the original separations, I suppose, but not the colour separations?

MR. RITCHIE: Not colour separations.

DR. JEANNERET: Transparencies?

MR. RITCHIE: The photography was freelance photography and not related in any way to the technical production of the photograph.

DR. JEANNERET: This is something like translation where you might pay more for the artwork than the author gets?

MR. RITCHIE: In my opinion, much more, Dr. Jeanneret, than the average book.

DR. JEANNERET: That is an impressively high figure, I must say, and it is

many times the kind of figure I used to be aware of myself. I suppose to the extent that we can aspire to have an indigenous Canadian publishing program -- I use the word "indigenous" as not meaning the ownership or anything -- in the future of educational publishing, having regard for the relatively much smaller population that we enjoy, we have the record of the fact that that program is going to be adequate, is going to have the cost very, very much more than the equivalent parallel programs in, say, the United States are going to cost if for no other reason than that the costs are going to have to be distributed over much smaller figures and, although there is more competition in the United States, it is not proportionately greater, creatively speaking. Is this a fair assumption? It doesn't matter whether it comes out in the form of higher prices of the books or subsidies or what, but in one way and another, the using public is going to have to pay for the privilege in your opinion, quite heavily?

MR. RITCHIE: I would definitely agree with that, Dr. Jeanneret. The fixed costs in developing a book in Canada are not that much lower than the fixed costs in developing a book in the United States and their English-speaking market -- if we are speaking of books in English -- their English-speaking market would be 20 times the size of ours.

DR. JEANNERET: I only want to ask one more question at this point. I was on this yeaterday and I would like to ask you, Dr. Edwardh, from an editorial standpoint, do you feel that educational publishers, their editors as well as their sales staff generally in this country, actually read, and I mean read and comprehend word-for-word and phrase-for-phrase, their own books as much as they should, much less the books of their competitors? Do you think to some extent their relation to the products they are handling is more superficial than it should be? I am not asking you to name people or anyone else in particular, but it has often impressed me, when you got into close grips with a publisher about a particular textbook area, that they were speaking relatively superficially about these very important matters.

DR. EDWARDH: I feel this is a matter of policy of a given house and it depends in part on the qualifications of the editorial staff. Speaking personally, I feel that we have editors who are very well qualified educationally to analyse the presentation, quality of questions and platforms and the levels of presentation. We also have general editors and we nurture these projects with a great deal of care. I might illustrate that. I would expect a reasonable analysis of the questions that are in a text, whether

they nurture thought whether they are factual questions, the type of thinking they are supposed to elicit, and so on. Is this an educational publishers responsibility? I hope that we take more care than we have in the past because of the qualifications of the people who are preparing the material and working with the authors.

DR. JEANNERET: I am glad to hear you say that. Looking back over my own experience in school book publishing and conversations I have had over the years I have been impressed with the fact that there is always somebody in the particular house who is intimately acquainted with the text, probably as well acquainted as the author is and may even have had a very substantial part of the responsibility for its format, but even among his colleagues, to say nothing about the people in other publishing houses, this first-hand awareness of what is in that book I didn't find existed in the level I wished it had. I was just interested in your own views on this position.

MR. PAYNE: I might just add there, Dr. Jeanneret that we also have on staff three consultants particularly in the field of language areas who go out and work with teachers right across the country and go into some depth on the content of the materials.

DR. JEANNERET: This is the way it should be.

MR. CAMP: First of all, Dr. Edwardh, not all of the best briefs have been long and not all of the long briefs have been best but this has been very helpful and informative to me when one realizes the time that it took, it is very rewarding, at least to the Commission.

The Dictionary of Canadians on

Historic Principles, you are still publishing that?

DR. EDWARDH: Yes.

MR. CAMP: You are still updating it despite its marginal profitability?

DR. EDWARDH: Yes.

MR. CAMP: In your first recommendation on page 10, Departments of Education, you suggest that they should recognize certain areas of curriculum such as the social sciences; mathematics and physical science, have little to do with the national way of life. That would be a good recommendation for publishers as well. I think you have said that before. I suppose in fields other than those of the social sciences and literature the economics are such that it is easier to import such books from abroad rather than develop them here or it is easier to adapt them than to develop them. It is easier to adapt an innovation?

DR. EDWARDH: Well, an innovation is difficult but the difference is not nearly as great as one might suppose. The cost of adapting certain materials -- and we speak specifically of reading materials -- the cost of adapting is nearly as great, within 10 per cent in many cases, as it is to initiate and develop your own but if you are answering the market or market needs and someone has said to you, "This is what we want if you will Canadianize it",

then we look at it as a project but this cost differential in many cases is very, very small.

Now, there are other cases where it can be large. It depends what you mean by "Canadianization".

MR. CAMP: Well, I was going to volunteer a hypothesis that in this field of educational publishing which has become so fragmented and which creates further difficulties for Canadian publishers such as yourself, a publishing house that was international or continental could easier rationalize its production as between what the parent company, for example, is providing which it could adapt or sell without adapting and that which it has to do itself. Would that not be a correct hypothesis?

DR. EDWARDH: Well, I would hope that that could happen if the intent from the beginning was to make a continental edition. There would be sufficient work to gather to minimize the cost of adapting it for any one country. I would hope that this is true.

MR. PAYNE: Perhaps I could elaborate on that point as well, Mr. Camp. Before we were an international company, we did produce a very successful series of secondary school mathematics textbooks. Now, these were designed primarily for Ontario market and they sold primarily in the Ontario market. At the same time these were not found suitable for other provinces in Canada

and this meant that we had to do an adaptation of an American series for other provinces. We have since tried to sell a Canadian series in other countries and we find that the organization of the material, not the content but the organization of the material would prohibit the sale in the United States. We are having some small sale in Australia, but it practically prohibits us in the United Kingdom. I don't know whether that adds something to your question.

MR. RITCHIE: Mr. Camp, may I comment on that question too? It seems to me that continentalism does not depend in any sense on ownership, that over the years we have had access to books from the United States without any ownership and most Canadian companies have lines either from the United States or from Britain and to that extent have the same continentalism which is an advantage.

MR. CAMP: I understand that, I appreciate that but, on the other hand, there must be advantages to what you would call a joint publishing venture or a joint board group or common board groups as opposed to a Canadian publisher acting as an agent for an American publisher or are there?

DR. FDWARDH: Well, we are rather new at this and it is hard to give an easy answer but certainly there should be. If we are doing continental educational publishing and

decreasing costs it is easy to have expertise and scholarship from a wider source than we now have and I would hope that this rationalization would, in some areas, decrease the costs and make their worth-while materials available.

MR. CAMP: I just want to go back and touch on a point that you make, whereas needs would develop on mathematics text for the Ontario market, in other provinces of Canada they preferred an American model, is that correct?

MR. RITCHIE: Yes, sir.

MR. PAYNE: I think there is also another aspect of your question and that is that I believe the United States government has spent a great deal of money in the field of science and in the field of mathematics to support various studies. We, for instance, handle from an American Company one U.S.C.S. Biology but the money was funded from the United States government for carrying that project. As far as I know there is no such money available in Canada for that kind of research.

MR. LEE: May I just add a comment concerning the mathematics books in Ontario and other provinces? There is another factor that was not mentioned and that is the sequencing and the organization by grades in Ontario where the material and content may extend over five grades at the high school level, to grade 13. That similar oganization is not found in many other

provinces where there is a 12-grade arrangement which closely parallels the 12-grade arrangement in the United States. The organization is different.

MR. CAMP: That is a good point, among other things that makes life difficult for publishers.

DR. JEANNERET: Mr. Camp, just on the point you were on, would you, Dr. Edwardh or anybody, comment a little bit on the question that has often been raised, whether or not the other provinces tend to be different for the sake of being different in the field of not only curricula but more particularly the selection of textbooks that might have been originally developed in Ontario? How much truth is there in the ongoing statement that Ontario has a strong Canadian bias but the other provinces choose books on merit only? This is one way of putting it.

MR. RITCHIE: Would that they did.

DR. JEANNERET: That comes up in a brief this afternoon.

THE CHAIRMAN: What Dr. Jeanneret is saying is that he is asking a question, not making a statement.

DR. JEANNERET: This is made in several briefs.

MR. LEE: Curriculum committees are composed of individuals so that each province may

operate in a slightly different way from province to province but if there is any general pattern I think it might be this: Once a curriculum committee in a given subject area is established they may say, in effect, "Let us not be influenced by anything that we have done in the past or any of the materials that already exist. Let us consider the objectives we want for this course, the approach, the organization of the content", if it is geography, one may want to study Australia in one province, another province may want to study England or something else.

When they have completed their considerations they will then write to publishers, they will say, "This is our thinking. Do you have materials to submit that will satisfy these needs?". They will then examine those materials. It may be that a committee in one province has thought it through differently than a committee in another. Whatever superficial prejudice there may be about the east, I really don't think has any effect.

DR. EDWARDH: I think, Dr. Jeanneret, that the material outlined in Circular 14 does limit the choice of Canadian materials, while many other provinces permit a wider choice for school texts. I don't think I would like to comment any more on that situation.

DR. JEANNERET: You can't satisfy Ontario and the other provinces in the same

judgment.

MR. PAYNE: I do think that part of this problem is connected with the higher education of the educators themselves. I have noticed, for example in western Canada, there are many people who go for a doctorate in education who will move south of the border rather than to Ontario. That is if they don't stay in their own province. I find the same thing happening in eastern Canada, so that they become very familiar with material in the United States.

DR. JEANNERET: I think that is a very valid point and is very accurate.

MR. CAMP: On page 11 you suggest something that has been proposed before and which merely strengthens the proposal:

" A government-supported organization could be established in Britain and the United States to warehouse and sell Canadian educational materials."

Who, in your mind, then, would be responsible for sales promotion?

DR. EDWARDH: I would think the organizational company.

MR. CAMP: The Canadian companies?

DR. EDWARDH: I might have used the word "company" rather than organization. This is a specific function and this would include promotion and sales.

They would have to make some judgment based on the quality of the materials and the market they were exploring.

MR. CAMP: It couldn't be done, for example, through a single publisher-agent?

DR. EDWARDH: I can see many ways they might work together towards this end. I don't think that is impossible, that an individual publisher take this responsibility and render yeoman service.

MR. CAMP: You had previously said, though, there is that potential in the United States for Canadian-produced educational materials.

DR. EDWARDH: I think the market in the United States is more difficult than perhaps some of us assume. Our initial exploration in certain States with certain systems, indicated a willingness to look at Canadian materials. I wouldn't want to build an empire on this thought, but I would like to see it carefully explored and I would like to see materials of certain subject areas, particularly presented to the diversified American market. I am thinking of science and mathematics, physics. I think there are some social studies materials that could be marketed there that have international implications because we study communities around the world now in Canadian schools in Grades III and IV, not necessarily from a

Canadian point of view. I see no reason why these could not be marketed in the United States. I think it is surprising the materials on Canada are not published by a Canadian firm and marketed by an American firm. They are written and handled entirely from the United States. We are surprised sometimes by the quality of knowledge that has perpetrated through this material. I think there are ways in which we would be able to explore this market.

MR. CAMP: Thank you. I think you have touched on, or at least you have indicated the advantages of Gage in your new association with Scott Foresman. Would it be a fair question to ask what you thought Scott Foresman's advantages were in this association?

DR. EDWARDH: Well, I am never quite sure whether you are building personal myths. I think there are two or three advantages. One, creative ideas do not necessarily reside in Chicago, New York, but they can be found throughout the English-speaking world and other parts. Canada is capable of creating ideas and giving form to them. I think the company is well aware of this possibility. Obviously, they have marketed many products in Canada over the years. They would be interested in continuity of marketing effort. They obviously respect the personnel of

the company and its knowledge of Canada because they try to define this world of continentalism.

MR. CAMP: You have had some modest success in selling abroad. I guess "modest" is not too strong a word for it.

DR. EDWARDH: Very modest.

MR. CAMP: Do you propose in the future to re-export educational materials and texts from the parent company to, let us say, the Commonwealth?

DR. EDWARDH: Well, actually we have -- they have the marketing arm. This could be a development, but I do think it is just speculation at this time.

MR. PAYNE: We do have an immediate schedule next month to discuss the question in more detail with them.

MR. CAMP: You mentioned something about this subsidy principle with regard to export and there would already be some advantage, of course, which has come up earlier in the Commission's hearings, with regard to Commonwealth trade or preference.

MR. EDWARDH: That was mainly related to underdeveloped countries, specific materials they might use there.

MR. CAMP: Some of which would be Commonwealth?

DR. EDWARDH: Yes.

MR. CAMP: Do I understand, on

page 12:

"That established authors who want to write for children be given financial assistance through an agency such as the Canada Council."

-- that there is no financial assistance available or subsidy with regard to that kind of authorship?

DR. EDWARDH: Let me clarify that. In terms of a project that involved a novel, or the writing of a job that would last a certain length of time, I am sure there is assistance available to authors for writing children's, as well as adults' books. This is related to our need for short stores, biographical sketches which are essentially Canadiana. Such a project has a limited duration and so on and it is difficult to define that and to get a grant for it.

MR. CAMP: In your appendix on page 20, the pattern seems to suggest an increase in Canadian books editorially produced and a decline in Canadianized books?

DR. EDWARDH: Yes.

MR. CAMP: Do you think that pattern will continue?

DR. EDWARDH: I think Mr. Lee enlarged upon this point.

MR. CAMP: It is somewhat

contradictory with regard to everything else that is going on.

DR. EDWARDH: They need more materials and will either use indigenous materials or import materials, rather than asking for Canadianized. The other difficulty, of course, is the sale of any one title can be very limited in this type of authorization today and some companies would be unable to undertake Canadianization on that basis.

MR. CAMP: Could you give an example, a good common example of a book that could be Canadianized, or what is the most common area which is Canadianized?

DR. EDWARDH: We have Canadianized mathematics, we have Canadianized reading, we have done some work in language texts, we have done Canadianization of a music series and the reason that this is possible is that in many of the series they have a concentration of music related to conversation in the Grade IV or V book, where in the rest of the materials there is an international flavour, so you could take one book and replace maybe 90 per cent of it and do just minor revisions on some of the others. The same is true in the field of reading in the past, that the Canadian content related to history, biography and so on, usually comes in part of Grades III and IV and might involve about 90 pages or 25 per cent

of the book and we concentrate there.

MR. RITCHIE: Mr. Camp, I don't think we should consider that a decline in Canadianization is a gain in Canadianism.

MR. CAMP: You rather suggest that, I think.

MR. RITCHIE: I don't really feel this necessarily follows. We put a lot into Canadianism and it is quite possible that now a province, not necessarily Ontario, might accept the original American product without Canadianization.

MR. CAMP: The table suggests that and, on the other hand, it does not necessary follow from 1969. Yes, with regard to this Canadianization, in your experience in trying to develop children's books, one does not know quite where to begin because, I suppose, every example speaks for itself. There is not much one could ask further.

I am just interested in the business of libraries being reluctant, because the titles were not seen on the spine. What you go on to say is that:

"Many librarians and teachers were hesitant to buy new books that did not appear on approved lists."

This was an anthology, was it not, of Canadian writing?

DR. EDWARDH: That is correct.

MR. CAMP: What list or lists could it have been on?

DR. EDWARDH: There is a library list of books suitable for different levels in the schools, that are on recommended librarian lists. They have a tendency to have longer selections. We have found it difficult to get this type of book on such a list. I think the books were also costly. Some of the quality was uneven. We did have 8000 manuscripts to select from each year. There are many reasons why they are not on these lists and we could not get them in the libraries.

MR. CAMP: Is there something happening in your experience and judgment of some special significance with regard to this segment of the market of children? Do they read as much as they used to? Where is -- where do you think the factor is here? You have explained the difficulties, all the effort you made and the conclusion is quite clear.

DR. EDWARDH: I don't think there is any evidence in our experience to suggest children are not reading at Grades IV, V and VI. In fact I would surmise that the investment in libraries and resource centres has made more material available and they are reading more than they have in the past.

MR. CAMP: What are they reading? They are not reading Canadiana.

DR. EDWARDH: There is very little Canadiana available, but they are reading imported novels from the United States, Australia and Britain, the English-speaking world. They do try some Canadiana. There are historical novels, a few of them available, for this age level.

MR. CAMP: The real problem, then, seems to be a lack of authorship which is created fundamentally by the economics? This is by the lack of incentive. Would that be fair to say?

MR. PAYNE: I think many of the primary books too, the youngsters are interested in, they pick up in the library, are very colourful and well illustrated, perhaps with very little text. This progresses as they grow up through the grades. One of the difficulties we had with the anthology was that youngsters wanted smaller books and librarians were reluctant, most of them are very reluctant to put an anthology on for the age level there.

DR. JEANNERET: Is that why that program did not work out in your opinion? I was trying to decide exactly what you proved with that terribly important experiment, that there was no creative facility out there or you had not succeeded in harnessing it, or you had harnessed it in the wrong way?

MR. CAMP: It might have been a question of the department's misjudgment.

DR. JEANNERET: I think if we could get our finger on what it was that went wrong?

MR. PAYNE: Well, although I hesitate to say this, I feel that it was very poor marketing on our part and very poor packaging but this does not make the fact that we had great difficulty in carrying the project on and finding suitable material any less true.

DR. JEANNERET: Well, that is the important aspect of it, I think, because you were generating the resources for, as you say, anthologizing, and that is the best criterion of how good your material was.

MR. EDWARDH: I was just going to say we are very serious about the recommendation for providing means to develop authorship for students' materials. We firmly believe something must be done to make this readily available and of the quality that it should be.

MR. CAMP: Given the quality, you are satisfied that there is an economic market, there is a market?

MR. RITCHIE: May I speak to that briefly, Mr. Camp? It seems to me that what we are able to offer, an author of juvenile books would not for one moment interest a professional writer who is able to write for television or for radio, not for a moment. He or she would not

waste time with the kind of money we can offer.

DR. JEANNERET: On the other hand, it was pointed out the other day in answer to a question we put that the changing nature of the kinds of books that are used in the classroom, and the trend away from the basic classroom set to the multiple set of books, with reference to a resource library situation may also be changing the trend of author that is required from necessarily a professional teacher to your general type of children's author. Is this right?

MR. RITCHIE: Very likely but, Dr. Jeanneret, I was not meaning a professional educator; I meant a professional writer whose job it is to write the kind of prose that a child will pick up, not that is good for him.

DR. JEANNERET: You were saying that it would not be attractive financially but I was asking a different aspect of it. I was saying that there is a greater place for the professional writer in the school than in the past perhaps?

MR. RITCHIE: Yes, I would agree.

MR. LEE: As an important partner of the team.

MR. CAMP: Is the parent company in this field?

MR. PAYNE: You mean in the field of children's books?

MR. CAMP: Yes.

MR. PAYNE: They have a wholly-owned subsidiary.

MR. CAMP: Are you agents and distributors for selling these in Canada?

MR. PAYNE: No.

MR. CAMP: Even though we built the school, once the government establishes such a school it might create the talent,as you suggest. It is only the beginning to the solution of the problem. I have nothing further, Mr. Chairman, except with regard to your Appendix F, and merely an observation, although you might expand on it a little.

You express grave concern with regard to the decision taken by the Government of Ontario and the means by which it found to assist or proposed to assist, McClelland & Stewart and you say you are in agreement with the intent but you would have been much more at ease had the assistance been forthcoming from a federal source and the Board of Directors not reflect as much provincial involvement. The observation I want to make is that no one physically restrained the federal government from assisting.

The question is, since I got the implication here, here is the suggestion that there will be conflict of interest. Would you really expand on that concern, if that is what it is?

DR. EDWARDH: Yes. We feel that

this danger does exist of conflict of interest or it could materialize. I can imagine . ., I think, questions being asked about the presentation of materials to the Department of Education and saying the last ten were refused and the province was financially responsible or involved and if I were an M.L.A. or an M.P. I might ask the question, "Why is this happening?" and so on.

MR. CAMP: It would be unwise if you were an M.P. to ask the question.

DR. EDWARDH: I think this is one major concern. The other concern that I didn't really develop here is that I think Canadian publishing must be national, it must be national. We talked a little about some of the difficulties of taking an Ontario product and designing it for Ontario schools and marketing it in the rest of Canada. It seems to me that this might add to the difficulty.

DR. JEANNERET: I am not sure that you are saying that any advantage that they might theoretically enjoy in Ontario might be more than offset by the disadvantage in the other provinces.

MR. EDWARDH: Yes, in national publishing we suffer.

MR. CAMP: Just to summarize, you accept in principle, the propriet of government assistance and involvement in publishing, that is, to this degree: In other words, where the caveat

is, it is the wrong government, better another government, and your observation with regard to the Board of Directors reflecting provincial involvement?

DR. EDWARDH: Yes, I think there are aspects of publishing that if you wish to see them developed in Canada they will need encouragement and aid and they see no other source in many cases.

MR. CAMP: I know, true, that is a hypothetical question, there being no other resources it would be better to have the company go bankrupt rather than follow this suggestion?

DR. EDWARDH: Well, I don't think a firm of the prestige of McClelland & Stewart should be allowed to go bankrupt. I agree with that but I would not want the lines of making money available here to be imposed on other companies, Canadian companies, that need financial aid in terms of Boards of Directors and so on. I feel strongly that this is a mistake.

MR. CAMP: There is an old maxim about circumstances altering cases. Therefore, there is no need to believe any formula is imposed.

DR. EDWARDTH: I hope the maxim is still in effect.

MR. CAMP: Thank you.

THE CHAIRMAN: Of course, as you

can gather I have been listening to some extent to the discussions that have been going on. Some of the questions I want to ask relate to the last topic. As you are aware from the terms of reference of the Commission, we are obliged to look at things which are national in scope, even though we are constituted by the Provincial Government.

If you had looked at our terms of reference you would have seen that we had this duty and responsibility. I was therefore interested in the discussion which you entered into with relation to the western provinces and the other provinces of Canada because I was relating that to your statement on page 40 of your brief which really took exception to the fact that we were looking beyond Ontario.

You say on page, 40 which is Appendix F:

" We see no point in identifying the western province for whom we prepared the Canadian editions of the books referred to, since we do not believe the function of an Ontario Royal Commission should be to suggest to the Departments of Education in the other nine provinces how they should conduct their business."

I thought that that observation as to how you think we should do our business was very interesting but I can assure you that our

interest is widespread and we hope that it will be in the publishing interests' interest that we are asking our questions. I will also say to you that we will not shrink from discussing with the other provisions their problems if they are prepared to discuss them with us.

Now, I assume that all of you gentlemen are Canadians, that you are part of the management team and that you are here to answer questions in relation to operation. Now, you may be in a position -- of course, since you are Canadians -- of answering questions that will have relate to the internationality of your company and I hope not to ask you any questions that you can't answer, but it may be that from time to time you may have to switch hats and I may ask you if you are answering as a Canadian or if you are answering for a company which is a subsidiary of a foreign corporation. Now, there is nothing wrong with being a subsidiary of a foreign corporation but we are responsible for inquiring into the impact quite clearly in our terms of reference.

I take it that the company which is your company is, in fact, a new company as of 1971, is that correct, or is it 1970, which?

MR. EDWARDH: 1970 I believe it was established.

THE CHAIRMAN: And it is a new corporation which acquired the assets of one of

the divisions of W.J. Gage Publishing Limited, is that right?

DR. EDWARDH: In 1971 it acquired these assets.

THE CHAIRMAN: So, it is just a new asset, this acquisition, and this is a new company?

DR. EDWARDH: Yes.

THE CHAIRMAN: So, what you are saying to us in the brief is that the new company, is a new organization with new input from their parents through the acquisition and so forth but nevertheless, you have inherited, to use your words, some of the long history of the W.J. Gage organization, is that what you are saying?

DR. EDWARDH: Yes.

THE CHAIRMAN: It is a different organization nevertheless?

DR. EDWARDH: Yes.

THE CHAIRMAN: Are there any shares of the new company held by any of the officers and directors of the new company, Gage Educational Publishing Limited, or are their shares all held in the United States or how are they held?

DR. EDWARDH: The shares are held in Canada and in the United States. They are held by W.J. Gage Limited and Scott Foresman.

THE CHAIRMAN: Could you tell me, please, what was the reason for the sale of that division at all, not necessarily to whom yet, but at

all? What caused the sale to your knowledge, if you know?

DR. EDWARDH: Well, I think I could just give a little background. As you know, W.J. Gage Limited was a privately owned company, it was not a public company. It involved three divisions and as we looked at market conditions in Canada and searched for ways to expand, to be competitive it was necessary to have an influx of Canada, not only in this division but in other divisions of the company and this project of a printing machine or another machine, this can go on until the end. Each division can suffer.

This was a problem. I would guess that family-owned firms all have these same type of problems from time to time, and this is continuing, a problem we frequently face. Shareholders of Cage, originally were the employees and a family. It did face a problem of capitalization.

Thirdly, as we looked at the educational market and the cost of selling and the number of salesmen necessary to promote wisely and carefully in Canada, we felt we needed a substantial list in addition to our indigenous publication. We needed this assurance with an essential part of the future in the diversified market that exists in Canada. I think we also had hopes that this new relationship would enable us to market Canadian materials on a much wider market. Perhaps -----

THE CHAIRMAN: Fundamentally, then, with respect to the decision, it was made because of capital, lack of capital for expansion, as you put it, and the decision was made on that basis to divest it, if you would, as a means of getting, really, the capital into the business if it was going to go on. Is that a fair view?

DR. EDWARDH: Yes.

THE CHAIRMAN: The second phase

now, and it may be difficult to answer. I may know what the answer is, but why was a sale made to foreign interests, rather than to Canadian interests?

DR. EDWARDH: I am not sure that that -- the assumption is that that choice exists in a comparable way.

THE CHAIRMAN: Did exist, or would negotiations with a Canadian house at the time for its acquisition of this have been undertaken?

DR. EDWARDH: The best I could answer that, Mr. Chairman, is that there was no comparable offer on the Canadian scene.

THE CHAIRMAN: I see. Comparable -- do I therefore assume that there was an offer made by a Canadian with respect to this house but it was not comparable to the extent of its financial return?

DR. EDWARDH: Let me be perfectly frank. Any Canadian capital that was interested in the educational division of W.J. Gage, was only interested ifwe could guarantee Scott Foresman would continue. We would continue to represent Scott Foresman. This was the position of the negotiators. Obviously we did not give this undertaking.

THE CHAIRMAN: Was Scott Foresman not prepared to give that kind of undertaking?

DR. EDWARDH: I don't think they

were prepared to give a blanket approval.

THE CHAIRMAN: If this condition on Scott Foresman's continuation, did anyone approach Scott Foresman and ask if, for any length of time, the relationship would continue, you know?

DR. EDWARDH: Yes, that question was asked.

THE CHAIRMAN: And what was the answer?

DR. EDWARDH: The answer was that if it was going to change ownership, they would be very interested in becoming that owner.

THE CHAIRMAN: Did they have any right to beoome that owner under any agreement? Did they have any options or anything of that kind?

DR. EDWARDH: This is before the negotiations?

THE CHAIRMAN: At any time up to the point of the actual completion?

DR. EDWARDH: I think the announcement was on September 28th and before that time there was no agreement.

THE CHAIRMAN: You make the point in your brief that the management of your firm is Canadian. Is that correct?

DR. EDWARDH: Yes.

THE CHAIRMAN: Has there been any infusion of staff at all from the Scott

Foresman organizatien, or any of its subsidiary companies in the United States?

DR. EDWARDH: In the management? No.

THE CHAIRMAN: The Board of Directors, I take it, is under the control of the Scott Foresman interests?

DR. EDWARDH: The Board of Directors has nine members and four are from the United States and five are from Canada.

THE CHAIRMAN: Of the five Canadian how many are nominees of Scott Foresman?

DR. EDWARDH: I really don't know whether I can really answer that question.

THE CHAIRMAN: I wonder if you might inquire subsequently and let us know how many are? It is a matter which we are interested in, I think, just as a matter of record.

MR. PAYNE: I am not sure I understand that question.

THE CHAIRMAN: Perhaps I can explain the question a bit more fully. It is not unusual to find that if a parent company is, in fact, a parent company and has, for example, 80 per cent control of a particular corporation, that it will, through its nominees on the Board, provide its nominees with one share which the nominee holds beneficially for the parent company and then the parent company

proposes or nominates the nominees for directors and in this way the parent company continues its effective control of the Board of Directors. That is what I mean by that.

DR. EDWARDH: The answer to that is no.

THE CHAIRMAN: No what?

DR. EDWARDH: This process of giving the management a share and an individual being on the Board, this was not the way it was done.

THE CHAIRMAN: How was it done?

DR. EDWARDH: The Board of Directors were obviously elected and they represent the management ---

THE CHAIRMAN: They are elected by the shareholders and the shareholders are 80 per cent Scott Foresman and 20 per cent Canadian -- the point I am coming to, and I don't know if you will agree with me -- the Board, in its constitution, is effectively -- this is the normal thing -- at the mercy of, or under the control of the parent corporation. In other words, by and large, unless to the contrary, the presence of any one on the Board, with perhaps one or two exceptions, depends upon a decision, a corporate decision made by the parent company. Is that not correct?

DR. EDWARDH: Well, we control 80 per cent of the vote, and in that

it is correct.

MR. PAYNE: I think it is only fair to point out, however, that the shares are held jointly by Scott Foresman with their 80 per cent, and W.J. Gage Limited. The shares of W.J. Gage Limited -- Scott Foresman are public, of course. W.J. Gage Limited is a private company where approximately 51 per cent of the shares are held by the President and the other 49 per cent are held by employees.

THE CHAIRMAN: Thank you. Is it not -- you have said the management of this company is Canadian, as it is at the moment, is there any assurance that you have from the parent corporation that such management will continue to be Canadian at any time or is this just the way it is now?

DR. EDWARDH: Certainly we signed no 20-year contracts or 10-year contracts or one-year contracts. Let me just go back. I was asked the question could I give assurance that the present management would be willing to continue? This is our wish and this is our intent. Without this surety, they were not particular interested. This is a statement and it involves intent and it is difficult to measure, but I think it should be recorded.

THE CHAIRMAN: I take it from what you have been saying at the moment, management being in Canadian hands, at the moment at

least decisions to publish are made in Canada by your organization, not by the parent, is that correct?

DR. EDWARDH: Yes.

THE CHAIRMAN: Do you have a liaison as a mangement group with the parent company or any of its subsidiaries in the United States? You are going to have a meeting next month, for example, as I recall, in connection with one or two decisions. Do you have an effective liaison with the parent?

DR. EDWARDH: Well, we are talking about the international market which obviously involves both groups here. This is a meeting set up for specific purposes such as this.

THE CHAIRMAN: Such as the international market and marketing internationally?

DR. EDWARDH: Yes.

THE CHAIRMAN: What other kinds of things will you be discussing?

MR. PAYNE: This, I should point out, is not a decision-making meeting. It is an explorational meeting. You will appreciate that this is a fairly new relationship for us and I think that one of the things that we have to do is explore the various types of markets that are open to us and I think we can benefit from the work of the parent company which is much more experienced in this regard. I can assure you, sir, that any

decisions made at that meeting ---

THE CHAIRMAN: I am not suggesting that there were. I am trying to get some sense of where you are going and what the corporate structure is, in fact. Have you had any meetings, in fact?

DR. EDWARDH: We have had one Board of Directors meeting.

THE CHAIRMAN: And I take it that was held here?

DR. EDWARDH: Yes.

THE CHAIRMAN: Do you plan on having your annual meetings here as well?

DR. EDWARDH: Yes.

THE CHAIRMAN: We are running very short of time, unfortunately. Maybe it is fortunate, but I don't know. Anyway, we are running short of time.

Looking at your brief I was struck by one or two impressions, if you will. The first is that in your recommendations you stress the need for government involvement, you stress the need for the government doing this, government doing that and with policies and approaches. At page 28 I think you really sum it up by saying:

> "In 1971, the textbook publishers in Canada face the same problems they faced in 1950 and 1960. They can produce

excellent Canadian readers only if they have a body of published Canadian selections for children. The problem is so fundamental and so enormous that one publishing firm cannot assume the burden of creating the material. It requires a nation-wide effort at the governmental level."

Is this really what you are saying to us in connection with virtually all the problems you have enunciated this morning? There really should be a government involvement on a nation-wide basis in publishing?

DR. EDWARDH: That recommendation was very specifically related to the writing of the Young Canada Program.

THE CHAIRMAN: I am inviting you to tell me whether or not you can somewhat enlarge it. It is certainly the impression of the brief, or should that statement be confined to the children's publications?

DR. EDWARDH: In general it might be confined to children's publications.

THE CHAIRMAN: And to go back just in conclusion with regard to McClelland & Stewart, the ease to which you make reference and you say:

" Although we are in complete agreement as to the intent of the recommendation we would have been much more at ease had the assistance been forthcoming from a federal source."

Now, since the recommendations had no direct relationship to your firm, do we take it then that the ease of which you speak was from the viewpoint, a competitive one, that you would have felt more at ease if there had not been any conditions having to do with financial involvement -- I don't know how you avoid financial involvement but managerial involvement?

DR. EDWARDH: Certainly it was a concern for publishers continuing to have a national outlook there. It was not from a competitive point of view.

THE CHAIRMAN: You started off by telling me about the reason why W.J. Gage Limited divested itself of its interests and sold to this new firm. Obviously it was a lack of capital and it is a question of either having capital or not surviving. Do I take it that you would have been happier with regard to McClelland & Stewart if they had been obliged to

go bankrupt? Is that your position?

DR. EDWARDH: That is not my position. I certainly don't want to leave that impression.

THE CHAIRMAN: Then, what is the concern of your firm, not you personally, but what is the concern of your firm with regard to the recommendations that were made in one particular instance in relation to McClelland & Stewart? We did not make it across the board, we did not make it one that dealt with the industry, we dealt with one specific company. How would that in any way harm or affect you or put you ill at ease?

DR. EDWARDH: Let me use the "we" rather than "I". The concern -- we have really advanced three concerns. One was that this would be a way by which aid would be forthcoming to publishers. This was brought out by Mr. Camp.

THE CHAIRMAN: You have no objection to that, that aid should be given publicly? Do you have any objection to that?

DR. EDWARDH: No, we are not objecting to that. We also explored the possibility of conflict of interest.

THE CHAIRMAN: That is competitive, a competitive advantage, is that what you are concerned with? I am trying to find out what your concern was.

DR. EDWARDH: Yes, a conflict of interest has competitive implications and the third concern was turning towards provincial publications rather than national.

THE CHAIRMAN: And in that respect we made it clear in our recommendations that we have done everything in our power to get the federal government to participate because we believe, as you do, that this is a national responsibility and we have been very clear on this. We, of course, are only really people who make recommendations.

DR. EDWARDH: May I just say a word about this? I am assuming from this recommendation that the feeling of publishers will transcend the Province of Ontario and the federal government will be very aware of the difficulties that the inability for them to participate up this point has imposed upon publishing.

THE CHAIRMAN: I think that the choice of your word "inability" is well chosen. There are several other words that could be used.

MR. CAMP: Surely though conflict of interest -- I don't want to put words in anybody's mouth but it is more a matter of principle than it is the matter of competitive concern, I would hope. Do you agree with that?

DR. EDWARDH: Yes, I certainly agree.

DR. JEANNERET: I would be glad to get one final comment from Dr. Edwardh because he is in a good position to give this judgment. Content aside, and comparing technical specifications only, would you compare for us the relative values being given the Canadian and American public in the field of textbook publishing in particular? Which is getting the better prices for what they are getting technically? Would you say they are about equal or would you say that American books cost more, specification for specification or would you say Canadian textooks are costing more? I know what it used to be. I would just like to know how far this has swung over, in your opinion?

DR. EDWARDH: I think maybe Don is in a better position to answer that.

MR. RITCHIE: Are you speaking of Canadian books?

DR. JEANNERET: I am speaking by and large, is a better bargain being given the consumer in the textbook field in Canada or the United States?

MR. RITCHIE: I would say in the United States.

MR. JEANNERET: Our prices are already somewhat higher?

MR. RITCHIE: Yes.

DR. JEANNERET: That used not to be so.at all.

MR. LEE: I am not sure it is a better deal. Because of their wider sales base they are able to provide them to the public at a lower cost.

DR. JEANNERET: I am not talking about the cost of the books after you have imported them. I am talking about original Canadian publishing versus original American publishing.

DR. EDWARDH: I would put it this way, Dr. Jeanneret, that the Canadian buyer is getting a great deal more interest in the book he buys than an American buyer would be, as far as Canadian publications are concerned. Our costs are there and they are actually getting a better deal in terms of price related to this cost.

DR. JEANNERET: Yes, but the price levels are perhaps higher. We agreed at the beginning they would have to be higher.

MR. PAYNE: I believe the Canadian publisher has to be much more creative.

THE CHAIRMAN: I wonder in closing, Dr. Edwardh, if the figures which are rather appalling on page 21 of your brief, might be augmented by some additional figures? This is under the heading of Manufacturing Record. I assume it is Manufacturing Record of W.J. Gage from 1966 on to 1970 and its sales total books manufactured in 1966 of 3,209,000. Then we start

on a sliding scale to 1970 of almost one-half of that production, 1,709,400 and if that is the way things are going it is certainly rather dramatic for your predecessor firm.

I wonder if we might have the figures of your projections for 1971 on total books to be manufactured? This is a ball park figure and also, can you give us some record during the same period plus a projection for 1971 of the total books imported by your predecessor firm and the projection you have for importations for this?

DR. EDWARDH: I would be pleased to send you that information.

THE CHAIRMAN: This is in the number of books, not dollars, I am not interested in dollars. I am looking at a comparative sort of summary.

DR. EDWARDH: We will do the best we can with the information we have to give you this information.

THE CHAIRMAN: Well, thank you for coming, it has been most useful. We appreciate your answers, your directness but the whole of the industry is one that requires the kind of consideration that you have given to it in your brief. We understand your position and the position of the firm with which you are engaged and we appreciate very much the time and effort made. Thank you again for coming.

SUBMISSION BY DR. FRANCESS G. HALPENNY

THE CHAIRMAN: If we can proceed please, we are delighted to have with us Dr. Francess G. Halpenny. Dr. Halpenny, I understand that you are the general editor of the Dictionary of Canadian Biography, is that correct?

DR. HALPENNY: That is correct.

THE CHAIRMAN: I have a learned gentleman on my left who supplies this kind of information. You make one salient point in your brief and you have led up to it very well and made the point very well.

DR. HALPENNY: I should stress at the opening, Mr. Chairman, that this is a personal brief but made out of an experience of some years as an editor in a Canadian publishing house and working at the present moment with some hundreds of authors that contribute.

I make the point in my brief that a great many of the presentations to this Commission and much of the current discussion has been understandably about the financial aspects of publishing in Canada and various proposals in the way of loans, subsidies, assistance with distribution and some kind of arrangement or facilities for promotion on the international market, and so on, with Canadian programs particularly in mind.

But I do submit that if the Canadian

publishing industry is to survive and to take advantage of what may be the outcome of inquiries such as this one, Canadian publishing houses must, of course, operate efficiently and also imaginatively, what they produce for books and each book is an individual item, unlike any other on the maker's list. This important fact has an effect on the activity of the publishing houses. The nature of its staff has a great deal to do with the composition of the publishing list and a great deal to do with whether we are going to have the library publishing of Canadian subject matter which is needed.

My brief directs its attention to a crucial component of a publishing house, its editors and I hope that what the brief will provide will be some information about the role that they play in two particular facets of publishing.

One is in the consideration of manuscripts, in the decision of what will be published and there editors have a crucial role to play in the evaluation of manuscripts or projects submitted to their house and also in the encouragement of and development of manufscripts, ideas, contributions that come to them. I think that the statistic has often been cited that only about 1 per cent of unsolicited manuscripts are ever published and that statistic alone will show the importance of the editorial role in

the development of any publishing list.

I might mention in this connection something that Dr. Edwardh touched on this morning when talking about Canadian subject matter. He mentioned areas in the social sciences and so on with particular reference to Canada and one can think immediately of fields that need examination and if they are to get that examination they will have to have the performance of experienced and imaginative editors who know the Canadian scene and who, as I say, in my brief will handle these manuscripts imaginatively.

I think, for instance, of such things as urban problems which could be examined from the standpoint of Toronto and Montreal and not Pittsburgh and New York, of problems of land uses as they affect this country, of the ethnic composition of our people, historical projects. There is an enormous gap there which can only be filled by Canadian program which can be developed.

I speak also of Canadian authors who are writing on topics about the history of contemporary societies of other countries, but offering a comment from the point of view of this country on such problems. We, for instance, if I may speak of current affairs, particularly, have had great experience in the role of peace keeping around the world. This is a subject we could comment on. We can say something about American affairs from our particular point of view. We can talk about China in a way that cannot be done south of the border. We have a literary heritage in this country which comes to us from the United States and from Great Britain, from anybody who uses the English language. We could comment on this from a Canadian point of view.

I would not, however, in stressing the role, the editorial role, wish to overlook the importance of the other side of publishing which must also be performed efficiently and imaginatively. Other departments, sales, design, production, business, all of them must work as members of the team and be aware of what the other department is doing and have great respect for it. The courses that I have in mind and which I make a recommendation in my brief on, would, I think, be of benefit to all departments of publishing. They start

from my concern with the editorial role, but they go on even beyond the publishers to the information which could be spread among students who may go into a publishing house or may become authors or may simply be readers. We need many of those.

I teach a course in contemporary publishing and when we have had much discussion this past year about our problems -- one crucial point I said to them "All right, how many of you in this room have read a Canadian book in the last six months?", and the answer was rather shocking. I think that this kind of exploration of the publishing activity in relation to the writing activity, would have a supportive effect in many ways.

DR. JEANNERET: I will just ask one question, Miss Halpenny. I thought your observations on the lack of formal university credit courses in book publishing were valuable, if only because they point up -- you didn't develop this point, but I know it is very much in your mind, I am sure. They point up the importance of a complementary function of the university department of teaching which is research, and I presume you would agree that it would be by formalizing instruction on publishing at the university level that we would most likely be able to stimulate bona fide research in book publishing

and then this research would be undertaken by the very people who gave the courses. We could certainly wish that more research could be done on this subject and, indeed, if this had happened, probably the Commission would not take the form it does. In fact, we might not need a Commission at all. Would you comment on that?

DR. HALPENNY: I would be glad to. Certainly in the course I have just mentioned, I have my students doing small projects of research into the activities of various publishing houses, book reviewing and so on. They have to do this largely be interviewing and writing because there is very little in print that they can observe. I would certainly agree that this is a way in which you could get some kind of backward and forward looking into publishing activity. I was thinking also, in addition to that, that we might think of courses in two directions. Supposing, for instance, one took senior undergraduates who were engaged in literary and historical subjects, perhaps programs that are related to Canadian studies. They might, for instance, examine the history of publishing in Canada in relation to the publishing of other countries. They might study how publishing is carried on. They might see how it relates to a knowledge of

this country and whether they went into publishing themselves, or became authors or readers, all of this would be useful.

DR. JEANNERET: For book experiments.

DR. HALPENNY: Yes. At the graduate level, where you are really dealing with the authors you are going to work with in the future, they would be able to perhaps do something else where they could get some kind of experience of what writing for a publication means, how even to write a book review, for instance, which many of them might have to do.

DR. JEANNERET: You could professionally plug them with the various librarians which has never been done.

DR. HALPENNY: Yes.

MR. CAMP: One of the problems, of course, is that it a notoriously low-paying industry and does not, or is not as attractive as something else. One gets the impression, for example, that sales and the promotional side is more attractive than the editorial side.

DR. HALPENNY: I am not sure, Mr. Camp. I think, because of the history of publishing in this country the sales side has inevitably had a great deal of stress. That has been true. I think that the editorial

side has grown of recent years and its performance has increased in skill and I think that if we are to have a lively industry and one which is really serving the purposes of this country, we must have the editors who know their job and who are respected by authors who are seen to be engaged in an essential partnership.

MR. CAMP: I follow your argument. That is very lucidly put. In my mind it reminds me of A.J. Liebling's adjurations to a school of journalism when he said you could learn more on a newspaper in two weeks than a journalist would learn here in a year and you ought really to be taking something like 17th Century French literature because a publisher wears many hats. This broadens his perspective and you get this, I think, I would suggest, as much from a general education, including a university education, as you get from a technical one in, let us say, publishing.

DR. HALPENNY: This kind of course I refer to would not be -- It would only be part of the general education that you speak of, perhaps even a half-term course or, conceivably, one course in a year, but not designated as a degree in publishing. That is why I am so concerned about the fact that it is people who take it might end up by being authors or end up being simply

readers, as well as being people in a publishing house. I would agree, because the characteristic of a good editor is some kind of reasonably broad education, an intense curiosity which they develop as they go on. They have to have a great ability to jump into a lot of subjects suddenly and acquire a sort of feel for them if they are to talk to authors intelligently.

MR. CAMP: And also some psychiatric work.

DR. HALPENNY: That is very true.

MR. CAMP: Just one -- if we do establish such a course, it would be necessary to supply materials for it.

DR. HALPENNY: I asked once all the briefs should be deposited in the library for the course I teach. They would certainly be studied.

MR. CAMP: By the time we are through, there won't be much left out.

THE CHAIRMAN: I might say we have already requested a copy of the transcript together with your brief, which might be forwarded to the Minister of University Affairs and the Deputy Minister, so that they might have the benefit of reading what you have offered.

DR. HALPENNY: Thank you, Mr.

Chairman.

THE CHAIRMAN: It would be very interesting indeed, and encouraging to have ideas, constructive ideas of the kind that we can treat with from time to time. I might say that I raised with my colleagues in the course of discussion, a question, and the question really is this: If you are going to offer a university course or set of courses, would there be any concern on your part -- we have heard there is concern elsewhere in the academic field, that you would not be able to get Canadians who would be able to teach or be qualified.

DR. HALPENNY: I would think I would have to deny that.

THE CHAIRMAN: You think there are Canadians extant who would be able to properly fulfill the academic disciplines that are necessary in the course that you envisage?

DR. HALPENNY: A course certainly of the scale which I envisage, which is a modest one for a beginning, but I have no doubt that this could be done.

THE CHAIRMAN: This goes contrary to the drift that we find in this business; every time you turn around people are saying "We don't have qualified people here to teach". This is an interesting one and, at the same time, somewhat discouraging.

Thank you very much, Doctor.

DR. HALPENNY: Thank you, Mr. Chairman.

SUBMISSION OF CANADIAN FEDERATION OF UNIVERSITY WOMEN (THE ONTARIO CLUBS)

THE CHAIRMAN: Ladies, we welcome you and those who are here to support you. I take it many of the ladies who are here, are here to support your position.

We have with us representatives of the Canadian Federation of University Women (The Ontario Clubs). We have Miss Lillian Handford, the Vice-President, Ontario; Mrs. John Harbron, Mrs. Tim Reid and Professor Clara Thomas. I am getting all sorts of comments from my colleagues on my introductions, the fact that you are here is encouraging to us and we would be obliged if you would hit the high points of your brief and we will discuss it.

MISS HANDFORD: Thank you. First, I would like to read an item from the National President to the Royal Commission:

"Dear Sirs:

"The Canadian Federation of University Women is an

organization of eleven thousand members in one hundred and eighteen clubs across Canada.

"Our Constitution states, in part, that our purpose is '(1) to assist in developing a sound concept of educational values and in maintaining high standards of public education in Canada: - --------- (2) to arouse and sustain an intelligent interest in public affairs in the political, social and cultural fields ------- and to provide an opportunity for effectual concerned action: -------- (3) to encourage University women to place their education and professional training at the service of the community'.

"It is obvious, therefore that the presentation of a Brief concerning Book Publishing falls exactly within our terms of reference and provides an opportunity for an expression of thoughtful and critical concern.

"Although this brief has been prepared and is presented by the Ontario Clubs, it is

endorsed with confidence and price by the National Federation.

"Sincerely,

"Gwendoln Black, President."

I would like also to tell the Commission the way in which this information was collected for us. All 53 Ontario clubs were contacted by the provincial directors and asked to contribute opinions and suggestions and recommendations.

Now, we had an unusually large response from the clubs. The majority did have discussion and study groups on this brief and they sent in their suggestions.

These were compiled by Dr. Thomas and Miss Halpenny and the ensuing brief is what they made out of the submissions.

Briefly, I think perhaps we might put the suggestions in perhaps four brief statements,-- a program of incentives to encourage the production of high quality books by Canadian authors; second, improved means of distribution so that books, once published, can be easily accessible to readers in this vast country and elsewhere and, third, the publishers not agencies who cannot survive on their own misfortune should be assisted by government, federal or provincial so that they can operate industrially and maintain a high standard of production.

The publishing industry is an important channel for Canadian culture and education should be protected from foreign ownership and where necessary in the public interest subsidized. However, they wish to emphasize that such subsidy should not, in any way, restrict the maintenance of its tradition of freedom and responsibility.

The members of the panel will be ready to answer questions on any of the three phases

mentioned in our brief.

MR. CAMP: I have read the recommendations with a good deal of interest and many of them, or at least some of them, have been, you will be happy to know, echoed by others from different jurisdictions. So perhaps the best thing I could do with the time we have here is to concentrate on the ones that I have some question about which are those on pages 4, 5 and 6 in which you suggest that some compulson be introduced -- and presumably that could only be by governments which would require the stocking of Canadian books in some specific quantity in book stores, department stores, newsstands, supermarkets and that as a result of that to enforce that there should be a provincial licensing and inspection system to ensure that this requirement or these requirements be met.

Well, if I put on my civil libertarian's hat, do you think this rather challenges the right of the ordinary citizen to read and to have access and a free choice of what he reads and to decide for himself what he wants to read or do you think that is of less importance than that there be greater Canadian content in the marketplace where publishing is made available or the products of publishing are made available?

PROFESSOR THOMAS: I think quite simply, Mr. Camp, that it would be more possible for people to buy Canadian paperbacks that way and

that they would simply buy more. I think they would like to, if they had the opportunity. I am forever having people telling me that they cannot buy books of a new Canadian library series in supermarkets, on newsstands and various places. I doubt that civil liberties would be in any way restricted. I think, in fact, they would be extended.

MR. CAMP: By compelling book sellers or magazine sellers or periodical sellers or paperback sellers to adjust to what we call the Canadian content rule which is to say that all space given over to the merchandising and display of books be limited,naturally in all book stores, something has to go out. If a certain percentage of this space by law must be stocked with Canadian material there is going to be a lessening of the number of titles or periodicals or whatever.

DR. JEANNERET: There will be a lessening of the number of book sellers.

MR. CAMP: That may be another consequence. Another thing is, are you satisfied, would you say that this would necessarily increase the qualitative output of Canadian publishing? Might it not run the other way?

PROFESSOR THOMAS: It might indeed, we might produce our own Canadian pornography.

MR. CAMP: Or a better grade of pornography than somebody else's.

PROFESSOR THOMAS: I think simply that certainly as a citizen and as a teacher, which I have been for 25 years, I am more and more aware in the last five years of the real demand amongst the students, amongst my friends, a real interest in Canadian works and a demand for them and this seemed to the committee, and the suggestion came from various of our clubs, one way of answering that demand. It would certainly need some kind of licensing system but then other sorts of things are regulated by various kinds of licensing system and it would not necessarily, I think, be in any bad sense restrictive.

MR. CAMP: You see, there is not necessarily a problem with regard to accessibility to Canadian works. The book stores give a fair representation of it now. There are still a good number of Canadian books that remain there.

PROFESSOR THOMAS: That is so but I must say that I disagree that Canadian works get a very widespread representation.

I suppose I am constantly concerned with students and, therefore, I am constantly most concerned with the paperback sales and, therefore, I look at places where paperbacks are sold and there simply are not many Canadian paperback books on sale in the places that are most accessible to the public and I think this is a real area that we might look at and try to do something.

MR. CAMP: What do you think the

reason for that would be?

PROFESSOR THOMAS: Well, I think the reason is that the jobbers who supply supermarkets, newsstands and so on, probably find it too expensive to be in their interest to buy Canadian paperbacks. I don't know, I would suspect that that must be so. I don't think they have been given a chance really and I don't think they will be given a chance unless such jobbers are pushed somehow and the only way we could think of pushing was by some sort of licensing, some sort of Canadian content.

MR. CAMP: Your observation in that particular area with regard to drugstores and so on and newsstands and with regard to paperbacks is similar, although the conclusion might not be the same, but I am impressed by the fact that an organization such as yours -- and I take it very seriously -- would recommend such a policy not only for the corner newsstand but for the T. Eaton Company and all the book stores in Canada.

PROFESSOR THOMAS: We were thinking of liquor stores and race tracks, too.

MISS HANDFORD: May I add a comment to that? There has been a suggestion from several clubs that Canadian books should have a Canadian symbol of some kind so that they are easily recognized on newsstands. One suggestion that was made was probably a maple leaf or something that could be publicized and then easily

recognized and we would hope that would increase their sale.

MR. CAMP: It occurs to me quite simply that you might end up with fewer books. If you look at the best sellers over the Christmas period when most Canadians buy most of their books, if you looed at ten of them I believe over that whole period, seven of them were produced from Canadian authors and four of the first five in one season were produced by one Canadian publishing house so I agree with you there is a demand, but by pre-empting space by book stores simply for Canadian titles, I am not satisfied in my own mind -- although I take it you are in yours -- that this would increase significantly the number of Canadian titles produced and the number of Canadian books read by Canadians.

MRS. REID: On the question of civil liberties I feel Canadians are restricted now, by having only Canadian and American books on newsstands. Their choice is only American books and we feel it would be extending their rights by including some Canadian books on popular stands.

DR. JEANNERET: This is an effect of the free market operating and it is not necessarily defensively, you are quite right. I think there is a good deal of perhaps not confusion but lack of explanation of different kinds of paperbacks that exist. I will use an

example, if I may,for what it may contribute to the discussion.

I published Marshall McLuhan's The Gutenberg Galaxy and it sold, of course, extremely well everywhere abroad, as well as here in hardback, translated into more languages than I can remember. We brought out what was called a quality paperback version. The word "quality" is as distinguished from another category of paperback and we sold some hundreds of thousands of the quality paperback but could not penetrate the supermarkets and drugstores as you say, for a very good reason.

Then, we sold on a lease basis the mass-market paperbacks to the only kind of source that you can possibly sell such mass-market paperback rights to -- one of those American mass-market paperback houses, of course, who then produced an edition of something in the order of half a million and more and by doing half a million they get down to the mass-market price and they then can get into the pipeline into the Canadian as well as the American outlets that you are describing and it is only by that technique that it can be done directly because we can't make half a million, we can't make 100,000 in Canada and this is a dilemma, I have no answer for it but it illustrates, I think, what we are talking about when speaking about supermarkets and drugstores. I just offer that

to illustrate the question because we have been on it several times, including yesterday.

MR. CAMP: Just one more question. With regard to recommendation No. 3:

" Means should be investigated whereby Canadian authors would benefit from the lending of their works from public and university libraries."

I would just ask if you have any suggestion as to the means, taking regard to the effect of whether or not the lender should not make some contribution?

MRS. HARBRON: Well, Mr. Camp, we have investigated various possibilities which seem to have run into a dead-end inasmuch as the libraries under the charter through which they operate are not prepared to initiate some kind of rental for Canadian books so that some of this could be returned to the publisher and the author and they know that this works well in Scandinavian countries where nearly all the circulating books have been published in those countries but the whole Canadian book scene is complicated because English-language books are published and distributed from so many sources.

We just feel that something should be done. We don't feel that people using the tax-supported public libraries, should have to pay even a small nominal sum to borrow a Canadian book and the bookkeeping costs involved in keeping track of this would be astronomical, This would defeat the aim.

MR. CAMP: Perhaps we could charge a small fee to lend out American books.

DR. JEANNERET: Perhaps this would be a good place for subsidies. It would not complicate the administrative end of it at all and it would pay dividends in making Canadian books more viable.

MRS. HARBRON: Perhaps it would be something like Support the Crippled Children thing but "Support Canadian Authors" in a clear plastic barrel that people could drop money in.

DR. JEANNERET: I had lunch yesterday with a Norwegian publisher to discuss it and it is apparently a state grant in the form of -- on a formula basis, but not on the basis of computed circulation, but on the basis of estimated circulation, and it is considered to be in the national interest. I am not taking a position on it, but I was just curious to know your reaction.

MRS.HARBRON: Something of that sort would certainly be of considerable

interest to the Canadian Federation of University Women, and I heard here Max Braithwaite expressing his regret that his books are appreciated by his non-book buying friends.

DR. JEANNERET: Every author says this.

MRS. HARBRON: So there must be some way in which this could be worked out to everybody's satisfaction.

DR. JEANNERET: In your second recommendation on page 3, which is the revolutionary recommendation, the question of foreign ownership of such an industry should be carefully investigated and legislation should be considered. To what extent would you carry this into retroactive regulation or retroactive adjustment? Have you discussed this or would you introduce confiscatory legislation or regulations of some sort? Have you a position on that question?

MRS. HARBRON: Since we are not in the publishing industry, we do not feel we are qualified to present anything from a professional standpoint as regards the actual production of books. We do feel very strongly that the Canadian publishing industry should get the kind of not just moral, but tax considerations, support. There are many ways in which there could be tax rebates, for example, so that if the additional financial

drain on producing books and distributing them over the great archipelago that this country is, in effect, that there should be some kind of consideration so that they are not left to undertake far too great a financial strain for the size of operation that they are bearing in mind, that they represent the Canadian creative force in what they produce.

THE CHAIRMAN: I want to go back to the original discussion that was undertaken in connection with free choice. I was going to ask the question, really, whether or not you did consider, and you partly answered it at least -- under the existing circumatances and the system of distribution operating in Ontario and in Canada in the free market, it really put the Canadian paperback consumer in the position of not having free choice. There is the choice only offered by the distributor who, quite clearly, utilizes almost essentially all foreign products. Is this the kind of concern you have that it is not, in fact, a free choice? I gather you would be quite prepared to preempt space, if necessary, to empty out some of the junk to make room ---

PROFESSOR THOMAS: Dr. Jeanneret's point is certainly most important. There would be no point in preempting space and putting into that space books for which the

public would have to pay $2.95 or $3.95 when all the other space they could buy for $1.

THE CHAIRMAN: I want to ask you, do you not think that if there were some requirement of the kind you suggested that this requirement would then place upon the distributors -- you understand we have not really got too far into this -- a good many of these distributors are American owned -- that it would require them in the economics when forced upon them, to begin to examine whether or not they would make runs in the United States of paperbacks of Canadian authorship -- just a moment ago Dr. Jeanneret was talking about how to achieve the economies. It might have a side effect we havenot looked at yet to produce the Canadian paperbacks on American bookstands. Wouldn't that be astonishing?

MRS. REID: Yes.

THE CHAIRMAN: Sure they would sell. In any event ---

MR. CAMP: There is no argument over here anyway.

THE CHAIRMAN: You see, this is what happens when the ladies come along. They get us working. This gets back to the business of virtually licensing. I was very interested in this whole approach of licensing and certainly, would you agree that in a free-market kind of situation where there

are no regulations and people are looked to to do things voluntarily, they very rarely do them. What you are in effect telling us is that there should be some regulatory body backed up by legislation which would lay down obligations which distributors and others in the industry, publishing industry, and distribution and everything else have, to the public.

When you say the publishing of books and periodicals in Ontario as distinct from importing of them should be treated as a strategic industry such as banking, you also meant, did you not, such as radio and such as television, things of this kind? In making this recommendation are you aware that historically the designation of an industry as a strategic industry also does involve licensing, a board or some authorative body legislation can control? Legislation which controls ownership, which, in paramount terms, means also licensing. Do you consider that all of those ramifications might well be applicable in the public interest -- you very rarely hear that -- but this is really what it means. Is it in the public interest that this kind of effective control -- in the Canadian public interest -- be developed? This is the question.

MRS. HARBRON: May I just

suggest that it may not very well be in the Canadian public interest for us to be a dumping ground for printed matter which has been paid for, we will say, by circulation costs or the overall printing costs or advertising before those quanitities, whatever they may be, reach a Canadian outlet. If the initial cost of circulating over, we will say, 18 or 19 North American distribution areas has been met by the amount sold, we will say, in the State of New York and the State of New Jersey, and everything else is more or less profit in Canada is section number 19 of all the distribution areas that have been mapped out on the North American Continent and nothing different is going to be done for section 19, because the whole thing is a dollars and cents proposition. As a result, thinking the Canadian -- it amounts to thought control. This is on people who are not aware of this aspect of what they pick up to read because it is convenient to pick up a copy of a novel which has been produced zillions of times and therefore, whatever is sold in Canadian supermarkets is gravy as far as the distribution and printing costs are concerned. Why should we be treated in such an inconsequential, off-hand way for somebody's ledger profit?

DR. JEANNERET: The Chairman is very subtle. I think he has asked you to

agree to a situation where there would be no American publishers publish anything if you don't have a licence. You are with that?

MRS. HARBRON: Oh, no. Then there is another kind of thought control.

THE CHAIRMAN: That is a rather large interpretation of what I didn't get you to admit. What Dr. Jeanneret is saying is, in effect, this, if I may interpret what he has to say: What he is saying is that the right to publish or right to distribute at this time is blanket. Everybody has got the right to publish, subject to the laws of libel, slander and good judgment. What he is saying is, if you do licence, you then, in effect, take away the right to publish and to distribute, but you give it back again only on certain terms and conditions. When you give it back on certain terms and conditions which therefore are revokable, if you, the licensee, do not conform against those terms and conditions. What he is saying is that in laying down these stipulations and requirements for a licence, the distributor has to have so much out into the supermarkets and so forth, or that a publisher in Canada must publish a certain percentage that is Canadian-authored and produced. Things of this kind. What you are doing is saying, either you perform those conditions, or we will take the right to distribute

or the right to publish away from you. Isn't that what you are saying? Of course, that is what he is saying. (Laughter) He wants to know whether or not you are aware that this kind -- once you start to license you also put the licensing body in the position of revoking the right to publish or the right to distribute. What do you think of that? That is what he is saying.

PROFESSOR THOMAS: I wonder if I could perhaps draw an analogy that may be relevant to the field of public health. We are protected. The people who work in restaurants and work with food take tests. The public is protected in that way, public health. There is, I think, such a thing as public cultural health. We don't want, I believe -- I am certainly speaking for the feeling of this body -- we don't want everything to be restrictive. We want a certain vital area of public cultural health to be protected if and where it has to be protected.

In the free area of public medical health -- typhoid spreads, you know, and in the free area of public cultural health there are certain things that could be done and we feel should be done to maintain the level of Canada culture.

THE CHAIRMAN: What you are also saying, in effect, is it not, is that the only way you are going to do this is through licensing, is that what you are saying?

DR. JEANNERET: He won.

MRS. HARBRON: I am just wondering if Canadian creative writing is being restricted because the United States printers and the people who distribute take things around to smoke shops in trucks and dump piles of them everywhere? I wonder if this is the kind of thing that is being favoured and that Canadian writing outlets are restricted, that published Canadian works are being restricted as to where they can be profitably sold because of something that has nothing to do with creative writing, anybody's creative writing -- just simply a matter of volume.

DR. JEANNERET: I think it is an economic problem -- competition with cultural results.

MR. CAMP: Well, the consideration, I think, has devolved to the newsstand and I am satisfied that might be the best place for it to remain because in the professional book sellers' outlets and in the department stores it seems to

me that you are confronted by the fact that the English language, the universality that it enjoys and literature generally and the universality it enjoys on this continent produces an enormous amount of titles in comparison with that which we could produce and it is certainly true we could produce more but by limiting the representation of this world output just to encourage the presence of Canadian titles; in other words, it is a little bit to me like somebody buying a house with a library and then going out and buying books by the yard or by the shelf.

I don't think that a country of 20 million people could be anything but disadvantaged if you compel these book stores to overstock its own literary production and distribute it against the literary production of the rest of the English-speaking world. That is the thing that concerns me in terms of this recommendation.

MRS. HARBRON: It concerns this organization very much as well.

MR. CAMP: There is no question that we all share your concern with regard to the problems that seem to be evident on the newsstands with regard to paperback and so on and the means of distribution and the quality of that material.

I was surprised at the extent you went in your explanations but I have enjoyed

the dialogue and particularly the Chairman's leadership in this regard.

PROFESSOR THOMAS: May I make one comment please, Mr. Camp? I would certainly support what you say about our reputable book sellers but in my opinion there were a lot of observations that our department stores give every evidence of buying books by the yard and of exercising very little informed choice of any kind about the books they buy.

MR. CAMP: Dr. Jeanneret says that is a good point so I must concur as well. You mean at Eaton's and Simpson's, for example, just to particularize?

PROFESSOR THOMAS: Yes.

THE CHAIRMAN: Ladies, we have enjoyed having you with us very much indeed. It has been a very illuminating discussion. We appreciate your thoughtfulness and particularly the way you went about gathering this brief together. We would like to see, for example, people in other areas of interest go and get their information in the same way, collectively, across the province. That brings to mind the people in the educational field who seem a little reluctant to come and talk to us. We commend you on your efforts.

Thank you.

---Luncheon adjournment.

---Upon resuming at 2.00 p.m.

THE CHAIRMAN: Gentlemen, we now have the representatives of the York County School Librarians Association, Mr. Ian Scott, President and Mr. John E. Hastings, Librarian. Would you tell us gentlemen, what your own particular bailiwicks are and this is what we will start with?

SUBMISSION BY THE YORK COUNTY SCHOOL LIBRARIANS ASSOCIATION

MR. SCOTT: Well, basically this brief is nationalistic in tone.

THE CHAIRMAN: Before we reach that, where is your library?

MR. SCOTT: We represent libraries in York County both secondary and elementary schools.

THE CHAIRMAN: Which one do you work at?

MR. SCOTT: I am at Huronlake Secondary School.

MR. HASTINGS: I am at Thornway Secondary School in Thornhill.

MR. SCOTT: As I said, my brief is nationalistic in tone but we feel that the nationalism is moderate and it is measured and fairly realistic and we hope it is not overly strident and emotional.

Now, if I might just make a further

explanation on several accounts. A great number of librarians have been represented and we have followed this in the newspapers as much as possible. Unfortunately we have not been able to attend the hearings as we have other duties to perform. A good number of publishing representatives you have heard before you today have pointed out the basic fact that it is quite all right for the Ontario government to provide McClelland & Stewart with $1 million as a loan. American publishers' representatives reply that one company should receive financial aid so, therefore, should the rest.

The point is with McClelland & Stewart it is a Canadian company and if we believe in Canadianism whatsoever then the taxpayers must be prepared to have the govenment provide financing of that Canadianism. The Ontario government's initiative may have been impulsive but the publishing company was in dire financial straits. The means may be faulty but the objective, we feel, is worthy in order to preserve some small degree of Canadian culture.

As Dr. Clarke of Clarke, Irwin stated to you on Tuesday, the next year of Canadian publishing will be extremely critical. The basic fact of Canadian publishing is that the industry is under-capitalized, with loans having exorbitant interest rates and the risk taken in the industry is beyond the normal risk

taken for any other type of capital enterprise.

How is our brief realistic? On points of renegotiating Canadian rights, the provincial government must insist forcefully to the federal government that Canadian books must be given increased access to large foreign markets. How can this be achieved?

Canadian economic nationalists must be realistic and competitively open in negotiation with our southern giant. We know that the Americans will need our water resources, for example, and we cannot forever deny them these resources but in the process of negotiating for these resources we must insist that Canadians obtain the best deal for their products, including the marketing of our cultural viewpoint.

Our nationalism is open, relatively non-restrictionist and very non-continentalist. These phrases are not simply labels because our brief reflects these additional points.

(1) A minimal number of regulations for the publishing of Canadian books;

(2) A stronger advocacy of the British viewpoint in our school libraries because these really recognize that the Canadian publishing industry cannot provide materials on every conceivable topic. We want to see a redressing of the American preponderance. That is not being anti-American.

(3) Our advocacy of governmental action

does not provide for a Crown owned publishing corporation and

(4) Hopefully we do not want to see the Commission recommend the continuation of the disease known as government establishmentitis. That is to solve our problems one must need another agency to solve the problem and thereby create a plethora of bureaucracies and in our recommendations one other point we feel is probably one of the most important is the fact that there be grants supplied to librarians at the local level because in our brief we have pointed out that in every elementary and every secondary school -- and I am sure this applies across Ontario and probably also across Canada -- there is a great preponderance of American materials, books that are published in the United States with the American viewpoint.

DR. JEANNERET: What do you mean the local level?

MR. SCOTT: Well, since the Ontario government in its wisdom saw fit to set up county boards of education it would be fairly simple, we feel, to have an economy made of all the Canadian books -- I don't think at this point we will go into what a Canadian book consists of -- but Canadian books could be ordered and then have subsidy granted possibly on a sliding scale if more books were ordered and then a grant be given to librarians and credited to their

school and they would have the initial funds because today we find that grants are -- in some school areas anyway -- cut back.

DR. JEANNERET: You are indicating a return to ear-marked grants for books?

MR. SCOTT: Not necessarily, this would be more to preserve the Canadian content of our books because one list that is published by the department in 1966 and 1968 in certain areas of concern such as police, for example, or as we say, any student that wants to go in the elementary school and look up a book on what police do and using the books that are recommended by the Department of Education he will find nine books all about police in the United States and only three that have been published in Canada. Also on Eskimos, there are 14 books that have been published in the United States and none published in Canada and yet Canada has probably the largest number of Eskimos in the world. The method of the grants would be set up and would be an incentive for the librarians to bring in the good materials that are published in Canada and this would also be an incentive to publishers to publish more Canadian materials because they are not selling and the book is not republishable if it is not selling -- there is basically no money to be made on it.

DR. JEANNERET: I think I would like

to come back to this grants question and deal with it in a general way quickly and then ask some more specific questions.

How adequately are you funded as far as school library needs are concerned? Let us set aside just for the moment the question of Canadian content. How adequately are you funded and what guarantees have you that that funding will be enough from year to year?

MR. SCOTT: This amount of money that is allotted by each county board to the individual schools varies from county to county.

DR. JEANNERET: That is my point. Would you prefer ear-marked provincial grants for this purpose and that could only be used for this purpose? That was the situation earlier?

MR. SCOTT: Yes, a number of years ago. What do you think of that, Mr. Hastings?

MR. HASTINGS: I would think that conceivably it would be better if the county boards of education continued the present system that is in effect, that is, in my own school there will be approximately 1,000 students next year. The York County Board of Education has a policy that books are allotted $10 per student. That would be roughly $10,000 in the budget and that includes everything, not only books but audio-visual materials as well. Our advocacy of returning to having some sort of ear-marked system of grants is primarily

directed to achieving some degree of greater Canadian content in our school libraries.

DR. JEANNERET: You may be in that happy situation in your board if the grants were generous but taking it by and large don't we have a situation where the book grants are in competition with every other educational cost ever since they ceased to be ear-marked?

MR. HASTINGS: That is quite true.

MR. SCOTT: They say it is a matter of priorities.

DR. JEANNERET: Teachers have certain priorites and so on. You statement that one will find on page 1:

". . . a predominance of American material . . ."

in any Ontario elementary or secondary school library, that is understandable:

". . . on every topic at every possible level."

I presume that would not apply in certain areas. In geography and social science and Canadian literature, here you would have Canadian materials nine times out of ten, I presume, would you not?

MR. SCOTT: Well, in the field of, possibly, Canadian literature, you would have, but in the field of literature generally ---

DR. JEANNERET: But Canadian literature and geography. I wondered if these areas were poorly represented. Do you feel that you get all that is available in these fields?

MR. HASTINGS: Certainly some of the areas of the social sciences need a drastic improvement over the present situation. Take, for example, the problem of the black

communities in the United States. You will find very little material about that respect of subject in Canada.

DR. JEANNERET: That precise subject or the equivalent?

MR. HASTINGS: There is very little ethnic minority material that is published at present. I purchased a book the other day on the Jewish peoples in Canada, by a Mr. Rosenberg. That was just one small example. There is very little material on the Italian community in Toronto, on the Ukranian population in Manitoba. We are not getting ---

THE CHAIRMAN: According to Appendix A there is very little about the Eskimos in the Arctic and that is zero as of 1968.

MR. HASTINGS: That is right.

THE CHAIRMAN: Mind you, there are certain titles for whatever reason, I am aware, I am sure must have been listed in 1968. There has been an enormous influx of interest aboutthe Arctic and Eskimos in the last three or four years. To show here a nought at that time is a very significant item.

DR. JEANNERET: When you recommend that under certain circumstances the first priority should be that books published pertain to Canadian-oriented subjects, I understand

that in view of what you have been saying, but on the other hand, you would be unwilling to restrict Canadian publishers in any way to topics with a Canadian perspective. If you did, it would work against whatever export hopes we would have for the Canadian industry. They must be able to take their places on the bookshelves of the world. This is a bit of a dilemma, I think, as to what the priorities should be, I agree.

You recommend the quota of British titles be raised to 40 per cent. This might, it strikes me, involve risking a number of subject areas with an artificial bias. As soon as you get into quotas, you are into problems. I am sure you would agree. This is a carefully thought-out and arrived at percentage figure?

MR. HASTINGS: Let us put it this way, that the 40 per cent is a quota, not actually a very strict quota, but it is actually an ideal that we, as a group are trying to aim for. It does not mean we are evern going to have 40 per cent, but we are trying to make it aware to our membership that we would like to see a balance rather than this strong imbalance that exists at present, particularly in the elementary schools.

DR. JEANNERET: There are many subject areas I can think of that if you go to

the 40 per cent quota British, the children just would not stay in the library. They would have no interest. There would be no relevance at all in so much of the material. I think I follow the point and that is that there should be some adjustment of balance in your opinion.

MR. CAMP: I hope that this question, or any question, won't be repetitive but what is "P2J2"?

MR. SCOTT: That is the publication of the Ontario Department of Education called the School Library Collection and P2J2 refers to the fact that "P" stands for "Primary" and "J" is "Junior", so the collection is recommended by the Department of Education for librarians to purchase.

MR. CAMP: What is the "P" for?

MR. SCOTT: "Primary" in Grades I, II and III.

MR. CAMP: "J" is for "Junior", which is the same thing?

MR. SCOTT: It is a higher age.

MR. CAMP: So this refers to titles which apply specifically to that market, that is youth, children?

MR. SCOTT: That is right, in the elementary schools.

MR.CAMP: It is incredible to me that in seeking texts or books about

Great Britain, you could not find any from Great Britain, but you could find ten from the United States. That really defies -- challenges the imagination.

MR. HASTINGS: As mentioned previously in our brief, any of the experiences that Mr. Scott and myself have had -- I don't think our experiences in dealing with American publishing salesmen are by any means unique. They are always there at home plate if they sense you have $5 to spend but very seldom can you get Clarke, Irwin to come around.

MR. CAMP: I see.

MR. HASTINGS: I am not citing them in a critical way.

MR. CAMP: If I were a librarian, which is a hypothetical assumption, and I wanted to get books about Great Britain for a young audience, I would even call the House of Nobility, for example.

THE CHAIRMAN: That orange book is going to be stolen. I would like to take a look at it.

MR. CAMP: This is only a question leading to perhaps a better understanding from my point, but how many titles do you acquire a year?

MR. SCOTT: You mean in my individual school?

MR. CAMP: New titles.

MR. SCOTT: It would be approximately 2000 because we have an enrolment of about 1500 secondary students. This is my own library. This varies from school to school depending upon the amount of money that is put into the budget.

MR. CAMP: To what extent is this an absolute in terms of grades?

MR. SCOTT: This is published by the Ontario Department of Education as a recommended reading list that librarians purchase from. We are not obligated to, but it has been filed and undoubtedly by librarians as recommended books. Most of them are pertinent as to content, but our feeling is that they are published in America , the United States and show American bias. They show people saluting the American flag.

MR. CAMP: What other sources do you consult?

MR. SCOTT: Well, here again, some of our aids that librarians use, such as booklets and the School Library Journal and the Library Journal. Many of our librarians have been trained in the United States or the courses that are offered in summer are taught by Canadians who have received their education in library work in the States. They recommend these lists in many cases. There are other lists as well as the publishers' catalogues.

MR. HASTINGS: What is missing, Mr. Camp, for us, is that there is no really unique Canadian selection aid or tool from which we can make purchases as recommended by all sorts of different librarians from across the country. We end up having ---

DR. JEANNERET: Will Circular 15 help?

MR. HASTINGS: It does, but there isn't really anything on a comparable basis like Library Journal or British Book News, which has certain titles in it which we can use. We have to -- most of us have to resort to the Globe and Mail Book Review, Publishers' Catalogues, Saturday Night, all the Canadian magazines, like the Canadian Georgraphical Journal, in order to get material on, say, like Northern Development, but there isn't any particular aid in itself where you have this material assembled.

DR. JEANNERET: You want a national book review journal where ---

MR. HASTINGS: We don't have a New York Times. There was a report which Quill & Quire put out which we had for a year and a half, but again, for various combinations of reasons, it does not continue. Hence, we don't even have that as a limited aid in our own area.

MR. CAMP: Wouldn't it be true

to say -- would it be true to say that most books published in Canada that would be suitable for your clientele sooner or later find their way into your shelves?

MR. HASTINGS: Not soon enough. An example would be, at present, in one of our courses in our school, which is a little different from some of the other schools in York County, being an experimental school, there are more, what you might call contemporary courses. As an example, I had a student come to me just last week seeking material on the F.L.Q. crisis which is fairly contemporary, I should think. There was only one book that is really an objective viewpoint for the F.L.Q., which is Terrorism in Quebec by Gustave Morf, a psychiatrist in Montreal, which we have. I think myself -- I have been as negligent as a good many other people in not buying Canadian materials and there are a sufficient number of good Canadian materials available, but we just have been too lazy or we have been sort of overawed by the American presence. We end up buying American material because right away there is the book salesman at the door from all the American publishers, which is quite reasonable that they should be, but our Canadian counterparts are not getting there at the same time, so that when you have got $5000 or $500 you end up, if you are pressed by

your staff for material, to buy what pretty well comes first on that basis.

MR. CAMP: You buy 2000 titles a year, roughly?

MR. HASTINGS: Right.

MR. SCOTT: Approximately.

MR. CAMP: Of which you must have some idea as to how many you want to be Canadian, or what the average annual purchase is of Canadian titles?

MR. SCOTT: This is only an estimate, but I imagine it would be less than 20 per cent.

MR. CAMP: That really isn't too bad in total, in terms of the total productivity of all the writing in the English language.

MR. SCOTT: We feel, on certain subjects anyway, in certain areas we might see more Canadian material and find it more easily or find it easier to locate this material, to find who publishes it. This is one of our recommendations that somehow Canadian Books in Print -- we have Canadian Books in Print but there is no subject guide to it, so if you look for books on a subject, you have to either look for a title or an author, and that is an involved process and in many libraries you find time is of the essence.

DR. JEANNERET: I am told on good authority there would be such a subject

guide this year if librarians could only agree on what subject classifications would be appropriate.

MR. CAMP: Do you do most of your buying at one time, or is your buying spread over the year?

MR. SCOTT: Personally, I put in two orders and one is in the early spring as soon as the budget comes through in January and I usually have the largest order just about this time of year. I try to save a few dollars so I can buy books that come out in the fall. I think most of the librarians probably do this, but some may differ.

MR. HASTINGS: Our budget year is not 12 months, but approximately nine.

MR. CAMP: Approximately nine?

MR. HASTINGS: Yes, for the very reason that in my own situation a year ago I put in an $1,850 order to Co-op of which we get 90 per cent back by December 18.

MR. CAMP: When did you buy the order?

MR. HASTINGS: May 29.

MR. CAMP: You put in an $1,800 order with the Co-op jobbers?

MR. HASTINGS: Yes, on May 29.

MR. CAMP: And you got the order filled up to 90 per cent by December?

MR. HASTINGS: And that required at least a good half dozen to a dozen phone calls down to the Co-op because of all the problems they have been going through in their trusteeship and now that Maclean-Hunter has taken them over, I am not certain whether the service has improved considerably since then but I am going to test that. You see, the problem is if your budget is not spent up to a certain date for county purposes that is transferred to the next budget year.

MR. CAMP: Even if it is committed?

MR. HASTINGS: Even if it is committed. If you don't have the material in your hands by such and such a date they will just pass the money onward to the next year.

THE CHAIRMAN: That is called

compulsive buying.

MR. CAMP: I take it that if the books come on January 15 you would have to send them back?

MR. HASTINGS: No, we could keep them but the monies for them or whatever was left out of that particular order that had not been filled would have been transferred to this year's budget which would have meant in this case about $250 less for British and Canadian materials.

THE CHAIRMAN: You have produced in your brief by reference the Ontario Department of Education Volume P-2-J-2 Ontario School Edition plus a supplement -- that was 1966 plus a supplement to 1968. This book relates to books for kindergarten and grades 1 to 6 in accordance with the terms of reference set out in the first part. To your knowledge are there any other similar publications for the other grades in the Ontario system, or is this the only set?

MR. HASTINGS: No, as far as I know there are comparable materials available for the grades from, say, 4 to 8 but there are not any materials available in the secondary schools, not since about --

DR. JEANNERET: Many years.

MR. HASTINGS: At least since 1962, I imagine.

THE CHAIRMAN: I take it, therefore,

to your knowledge that there s no comparable collection that is only devoted to Canadian publications, Canadian authored and Canadian produced publications, I take it there is nothing to that extent?

MR. HASTINGS: Not to our knowledge.

THE CHAIRMAN: Do you have any knowledge as to this sytem whereby this list in both the 1966 volume and the 1968 volume are selected?

MR. HASTINGS: I may be away off base in making a comment here.

THE CHAIRMAN: Use your discretion, tell us what you think you know.

MR. HASTINGS: Well, from what I would gather people in the department who are in charge of school libraries and also public libraries would make available lists that they would cull from everything from the New York Times list, Children's Book Review Section down to what might be offered by Oxford Press in their catalogue and things that would be handy to them physically that they would review. So I would presume that they use as many materials and sources as are available to them but again, as far as I know,they are hindered in the process of getting more Canadian content into these items because there is not any really strong children's book review section available.

There is no national book review magazine as Val Clary has recommended from his study of the Canadian publishing industry available. So they use every combination under the sun, I suppose.

THE CHAIRMAN: I suppose, too, that these documents indicate that there is no attempt except to get a hold of virtually every title they can regardless of its origin without any Canadian slant, there is no Canadian bias in this list that I can see.

MR. HASTINGS: I don't think so because up until this particular year if the Gage incident had not occurred more than likely we would have been sailing along buying American materials as happy go lucky as can be. We were not really vitally concerned and as far as I am concerned I have always had some sort of reluctance to buy a lot of American material. There has been something gnawing at the back of my mind that this can't always be because you end up with school children 7 and 8, 6, 7 and 8, studying things American politically and economically.

THE CHAIRMAN: How do you think this problem or this void, if you will, with regard to Canadian material -- it appears to be somewhat a void or at least the lack of books -- could be overcome either for the elementary public school library or the secondary school

library? How do you think this might be approached from the educational point of view?

MR. HASTINGS: Conceivably it would seem to me that we would have to provide some form of financial arrangement to companies that are already in the field of publishing elementary school children's literature so that we could fill the void somewhat that way.

THE CHAIRMAN: I am thinking not of creating publications at this point. I am assuming at the moment that Canadian publications are being created, are being printed and are being published in this field that are not necessarily getting to your attention or to you as a result of not being on somebody's list or on this list.

MR. SCOTT: Well, money sometimes is a great incentive and librarians always seem to feel that the budgets are not adequate and if there was some type of incentive to buy Canadian materials I am sure it would be done.

THE CHAIRMAN: I am not even there yet, that is not the point.

MR. HASTINGS: As far as I understand the void there just aren't sufficient children's materials available, from a Canadian viewpoint that express stories about Eskimos et cetera -- The Ukrainian community. They don't exist so in order to get that void filled you have to first of all create some of this

material that reflects a strong Canadian viewpoint.

THE CHAIRMAN: Well I see a great difficulty at this juncture. You have told me that there is not such a list for the secondary schools. Now, if there isn't such a list how in the name of goodness do you know that a book exists?

MR. HASTINGS: We don't.

THE CHAIRMAN: All right, so that is the void I am talking about. Would it be of value to you if a list comparable was created for the secondary schools? The answer has got to be yes, I suppose?

MR. HASTINGS: Undoubtedly.

THE CHAIRMAN: All right, and would such a list -- if there were two lists, one is the international list, let us call it that, that is one list and the second list should be Canadian. I suppose that would be helpful for you?

MR. SCOTT: Especially if this list were revised every year.

THE CHAIRMAN: And especially if the list had on it every Canadian publication, not just what somebody arbitrarily wants to put on the list or not. Would that be a help?

MR. SCOTT: Absolutely.

THE CHAIRMAN: You have not got it now?

MR. SCOTT: No.

THE CHAIRMAN: And that is obviously needed?

MR. HASTINGS: Yes. Sorry, I misunderstood you.

MR. CAMP: Are you members of an association?

MR. SCOTT: You mean in our capacity here?

MR. CAMP: No, I realize you are not coming here in that capacity.

MR. SCOTT: Well, when the York County Association was formed, the librarians met and formed York County School Librarians Association and we represent approximately 75 school librarians.

MR. CAMP: Most of whom are librarians?

MR. SCOTT: We are all librarians.

MR. HASTINGS: Some members have an institutional membership in the Canadian Library Association, the school section.

MR. SCOTT: And I belong to the Ontario Library Association but as far as our organization is concerned we represent public school librarians, both elementary and secondary and we have one private school librarian in our association and several separate school librarians.

MR. CAMP: In terms of the secondary level are there many books that do not, let us say

fiction or for that matter non-fiction providing it is not highly specialized, that don't qualify for that kind of grant?

MR. HASTINGS: There are a fair number of Canadian novels published some of which find their way onto the shelves but are not used once they do because there is some sort of built-in factor in the teacher's mind that because it is Canadian it could not necessarily be very good.

MR. CAMP: Are there American novels?

MR. HASTINGS: Many.

MR. CAMP: That are used?

MR. HASTINGS: In my own list the vast majority are American. I went and purchased some paperbacks the other day for the library. I would say 95 per cent of them, in fact I think 95 per cent of the 131 titles are American and about 5 British books.

MR. CAMP: Well, we are about to hear, I think, later today from the Canadian Authors' Association they make the statement that"

" Teachers and librarians, like many other Canadians, seem ready to accept 'foreign' as 'better'. Both evince greater disdain for the Canadian product than is warrranted."

Here I am, we are addressing ourselves -- this obviously doesn't apply to you?

MR. HASTINGS: Yes, I think it still does apply to us because we are still trying to get out of the position we are in.

MR. CAMP: But you don't imply or infer that the Canadian product is less good because it is Canadian. What you seem to be saying is that you can't get at it.

MR. HASTINGS: No, it is not only a matter of not getting at it. In the teacher's mind there is this implication, perhaps unspoken, that Canadian novels just aren't good enough. I think if you look at the university level, how many courses will you find in Ontario universities that have a fair number of Canadian literature courses as an example? So the high schools are much further back than that.

MR. SCOTT: If I may quality my colleague's statement, I don't think this applies so much to the secondary field. I don't think this applies to every teacher because I know several teachers in the English department who stress Canadian books and poetry and so on and build their whole course around this because in the last few years teachers have had more latitude in deciding what type of course they can teach and some teachers teach practically

strictly Canadian, especially at the grade 13 level. So I would not want you to feel that every teacher or every librarian thinks this way but with many of us there is a sort of unspoken bias there which does appear sometimes.

THE CHAIRMAN: Well, gentlemen, we appreciate what you have given us, it has been most interesting information and we will very likely talk with the Department of Education and we will see if we can do something about exciting them to enlarge the list or shorten it as the case may be.

SUBMISSION BY ONTARIO INSTITUTE FOR STUDIES IN EDUCATION

OFFICE OF FIELD DEVELOPMENT

THE CHAIRMAN: We have now with us Dr. W.R. Wees of the Ontario Institute for Studies in Education, Office of Field Development.

Mr. Wees, are you appearing for the Institute or for yourself, or how are you going to speak today?

DR. WEES: I kind of hope I am speaking for education, but as far as I am concerned, your letter was addressed to me personally and I am therefore replying personally.

THE CHAIRMAN: All right. If you would speak with us about the point you wish to stress in your brief, Dr. Wees, then we will talk about it afterwards.

DR. WEES: Really, I don't know whether I have any points I wish to stress. I suppose I start out by suggesting the problem has always been with us, ever since the Durham Report. He raised an awful howl about the boasting, trumpeting republicans in the United States and how the books were all getting up here, but they got up here mainly because a lot of us brought them up because there is nothing else to work with.

I suppose the second thing I am concerned about mainly -- and I have got a lot of words here about various things (indicating brief) you might note I have tried

to indicate the six categories of need in books in schools. I don't know whether there is any one of those or any of them that you wish to discuss or not.

THE CHAIRMAN: If we could just talk about the situation, at page 4 you say:

"The educational air is rich with new ideas. But the publisher has to bring them down to the ground and make them work . . ."

I wonder whether the publishers in this country might start to think about getting out in the air with the ideas rather than bringing everything down to the ground?

DR. WEES: You know, you talk about ideas to a group of teachers and they say "Oh, well, you are just too idealistic. That is all". They think that idealism is airy fairy. I point out to them that there isn't anything I have said I have not seen with my own eyes or done.

THE CHAIRMAN: Are the teachers you are talking with the creative people or the authors, the people who translate these ideas into words, are they the creative people?

DR. WEES: They are the creative people.

THE CHAIRMAN: They have to be idealistic, do they not?

DR. WEES: Let us say at least

they have to have a theory. I don't know whether their theory is idealistic or not. There is another thing that I think I have in mind. I have suggested at the end that I don't know whether it is a good thing or a bad thing that Canadian publishers are being purchased by the Americans and the British, because every one of them that I know of is retaining -- if he is an interloper from the States, coming in on his own, he is creating Canadian staffs to do as much Canadian publishing, I would say, as there is need for. I don't think that we need to worry the way we are worrying about the American inroads. I have lived with them all my life. For heaven's sake, when I was a little boy I sold newspapers in Moose Jaw and I met the Soo Express at 8:00 o'clock in the evening and on the Soo Express were 25 copies of the Toledo Blade and Ledger and 25 copies of the Chicago Tribune, and I waited for the Winnipeg Express, and I had ten copies of the Winnipeg Free Press. I went along to all the buyers between Main Street and First Street West on River Street and I had my 25 copies of the Toledo Blade and Ledger and 25 copies of the Chicago Tribune sold by the time I got to the end of the block and I still had my copies of the Winnipeg Free Press. For heaven's sakes, that did not make us less Canadian.

DR. JEANNERET: Let me ask you

a question on this, because you are the person to deal with it, and you have opened it up, and that is the question as to whether or not it really matters where the ownership lies. We would agree immediately that Canadian content, Canadian-authored books, Canadian manufacturing conditions are embedded more firmly in Circular 14 in Ontario than they are anywhere else in the country, and you say on page 7:

> "Only as foreign publishers respond to Canadian needs will they, can they successfully achieve their full potential in the Canadian market."

That is a very shrewd observation, but wouldn't you also agree that the foreign subsidiary operating in Canada is likely to be more anxious than is the indigenous Canadian one to change those ground rules to open up the Canadian market as far as possible for the products of its parent company, revised or unrevised, as the case may be? In other words, isn't the whole commercial thrust, as far as he is concerned, in any direction of achieving a continental approach to the market, if possible? This, I think, is something we have to concern ourselves with and in asking the question, I am not answering it or prejudging it at all. It is a question that presents itself.

DR. WEES: I suppose the policy

will vary as among publishers. So far as our firm is concerned, W.J. Gage Limited, the whole set up is coloured Canadian publishing insofar as it is feasible, insofar as the need is there.

DR. JEANNERET: Of course, it is a reincarnation as an American subsidiary as of a very recent date, and we have been very favourably impressed by what we have heard but this danger might attach itself to them in the future and it might not. We don't know.

DR. WEES: Oh, sure. It took us many years before Winston, for example, in Canada were even permitted by the Philadelphia firm to publish Canadian books.

DR. JEANNERET: But then, I understand, they published a Canadian set of readers in place of Dick and Jane.

DR. WEES: They are into Canadian publishing now, up to their ears.

DR. JEANNERET: But they went in against the Dick and Jane readers. It is an interesting lack of pattern there. It could work the other way. You refer on page 4 to

> ". . . a very costly losing game I played (attempting systematically to develop Canadian authorship in children's literature) . . ."

throughout Canada, and so on. You are obviously referring to what Dr. Edwardh referred

to this morning, the Reading for Young Canada project. You were right in the middle of that and I think anything you can tell us about that is valuable. It was an expert brief, especially for information on this sort of point, that Gage submitted.

DR. WEES: I haven't seen it.

DR. JEANNERET: Your experience there would be helpful to us, because it was you who was in charge of that program.

DR. WEES: That was a sad story. You see, we had been publishing, or republishing American readers ever since 1934. There is a story there too. We were involved in creating a purely Canadian set of readers, but there was no Canadian literature -- am I just repeating what they said?

DR. JEANNERET: No, and this is what makes your advice so valuable.

DR. WEES: There was no Canadian literature, poetry and short stories and this is what we use in readers, available for our Canadian readers. We did the best we could and we commissioned authors where we could find authors. We wrote half the stuff ourselves because we had to. I decided that for the school publishing industry, we would go to work and we would create a Canadian authorship of material that would be appropriate for children's readers. We set out a pretty

generous program. We offered $150 for every poem or short story that was accepted, which is double the maximum that any magazine like Jack and Jill ---

DR. JEANNERET: The Junior Red Cross Journal.

DR. WEES: Everpaid, and in addition, we offered a prize of $300 towards the best poem or short story that was judged to be the best that had been received and had been published. We published two books with Canadian names, "Nunnybag", which is a Newfoundland name for a tote bag, and "Rubaboo", which name is also of Canadian origin. We received 8000 manuscripts a year and we had the darndest time trying to find material that was good enough to publish, but we did it. We did it over a period of five years and we lost over $17,000 a year, a total of $85,000. One of the main reasons we lost is just what these boys are talking about here. The Ontario Librarians' Selection Committee would not place them on their lists. The librarians in the other provinces wouldn't list them and I didn't know why, because I could only judge it was because they were Canadian. As this gentlemen who was sitting here said, "If it is Canadian, then it is assumed it is poor, so they won't list it".

DR. JEANNERET: Could I ask

one more question? You say -- I ask this because of your combined experience of Canadian educational publishing, and as an educator. You said -- in a generalizing way on page 4:

> ". . . the Ontario department will authorize only products that originate in Canada. In all other provinces the rationale is 'We want the best, and we don't know where it comes from'."

Could you enlarge on that just a little bit and reinforce it? I think we vaguely or generally understand the preferences that it refers to but is this Canadianism -- to what extent is this Canadianism rule an Ontario phenomenon, just so that we have it from your viewpoint and perspective?

DR. WEES: I stated the stated policy which I have received over and over again over a period of 33 years from the other provinces -- "If you can do anything as good as this, we will take it if it is Canadian. If you can't, if your product is not as good as this, then we don't want it". I don't know how to elaborate on that. Can you think of any question that I could respond to that would elaborate?

DR. JEANNERET: That means what it says.

DR. WEES: Yes. I don't know whether you have had any statements at all from the Canadian Studies Foundation. Have you?

DR. JEANNERET: Not yet.

DR. WEES: Will you?

DR. JEANNERET: I have put that question in writing to the Executive Secretary now.

DR. WEES: You see, in my catagories 3 and 4, I am really referring to this phenomenon, this sudden phenomenon of a national interest in Canadian studies for what is, such as Bernie Hodges' book, What Culture? What Heritage?

Now you have this national foundation being financed by various industrial firms and other sources interested in the development of not just materials but techniques of teaching about Canada. What Bernie found, Bernie Hodges found, was that kids hated anything about Canada. Children hated anything about Canada. They didn't hate it, but they were completely apathetic because it was taught in such a completely humdrum fashion -- no drama in it, not dynamism in it. Yet, there are in the archives, thousands of papers that are enthralling. I was talking to a teacher the other day who has been reading -- has Farley Mowat been compiling Arctic materials? It seems to me it was some excerpts from some

of the British exploring parties going into the Arctic and how they were three years there and everyone died -- only three got out.

I am thinking also of Stefanson's My Life with the Eskimos when you are talking about literature on the Eskimos. The last book that I know of that was really written on the Eskimos in a dramatic way is Stefanson's My Life with the Eskimos written about 1920 and yet in the Arhives the papers are there if only we could take them out.

DR. JEANNERET: I know that from the Dictionary of Canadian Biography that they are there.

DR. WEES: At the end as you may recall about the government financing of research and development, I think I would qualify what I said by suggesting that government perhaps for materials of Canadian studies which would be a limiting factor -- my problem with government grants generally is the fact that it would have to be a whole industry underwriting because there is no limiting factor, because every book is a product of research and development but I think that it would be possible, if it were possible, it would be tremendously helpful, if authors could be subsidized and if publishers could be subsidized in this area if only let us say for five years or for a period of time to get the thing going in this area of Canadian studies.

We need two kinds of books here. We need the source materials because this is the

whole trend in education now, to think about the source materials rather than to read somebody else's interpretation of source material. That would be one and then authors for children's dramatic books on stories about the Canadian scene of historical interest. If that were feasible it would be just about the finest thing that any group of people ever did for Canadian schools.

MR. CAMP: Dr. Wees, you conclude your brief to the Commission in which you equate Uganda, Tanzania and Canada. I presume that is hyperbole in respect to education.

DR. WEES: Well, you see the American publishers have really discounted Canada in the last 10 or 15 years so two or three are involved here. Winston I have mentioned, I think, and Ginn. I think early on those were the only two but now we have practically everybody. Then I discovered Charles E. Merrill has an office in Toronto.

MR. CAMP: The question I was really going to get at was that you said,

" Unfortunately for the school book industry the availability of Canadian human resources and a thoroughly fragmented market -- arrived at the same time,"

Then you say:

" The market fragmentation has been due

" to (a) the establishment in Canada of branches of American and British firms to double the number of educational publishers and (b) to changes in educational and book purchasing practices."

My question is that it had occurred to me that it was because of the economics in the book publishing industry created by the fragmentation that created the necessity for some other kind of publishing enterprise in Canada other than an indigenous one. As we learned this morning one of the contributions that the American publishing industry has made for itself in Canada has been the contribution of capital which has allowed it to survive the multiplicity of texts in the shorter runs and so on.

So, my question really is: Did the coming to Canada of American and British firms create the problem or did they come in response to the problem?

DR. WEES: In response to the problem. I think you can answer it both ways.

MR. CAMP: I can't answer it as well as you can.

DR. WEES: I don't know. I think they came largely because -- well, perhaps for one reason that the United States dollar was at a discount for so many years in Canada that we began to feel that Canada was a wealthy country and there had been so much news in the

United States about Canadian development and resource development so here we are, a little market, smaller than the State of New York in English population, for example, and these so-and-so's all come in and settle down. I don't know why they don't all congregate in New York State and settle in New York State.

MR. CAMP: You referred earlier and used the expression about a Canadian publishing industry insofar as the need is there which sounded like a qualification but I assume it isn't.

DR. WEES: That is in what connection, Mr. Camp?

MR. CAMP: Well, you developed two arguments here and I can't tell which side you come down on. You indicate that there has been a contribution made by an American-based publishing industry and it does play an essential role. I think you gave the example earlier of selling newspapers in Moose Jaw and that it really didn't matter much, the genesis of the newspaper. As a matter of fact the only thing that seemed to matter was your clients preferred the Toledo Blade to the Winnipeg Free Press. So do I.

DR. WEES: I think there is a history here, Mr. Camp. I think this all goes back to the mid-1930's when professional education suddenly appeared on the Canadian scene. Now,

I am using Alberta in my mind as an example because that is where I was at that time and that was the educational environment in which I was living. Progressive education requires not just -- this was one of the big changes that occurred as a result of progressive education in the States -- progressive education required not just a single authorized textbook as had been our experience during the 1920's and earlier but a plethora of books and so in the mid-1930's every publisher in Canada went to work to get American agencies. We didn't have at that time a single American agency. We published some books and we published one book back in, I think, 1905 or something like that but we didn't have an exclusive American agency.

We picked up six American agencies exclusively in order to satisfy this new need of a greater range of books.

DR. JEANNERET: Too many. That is a private joke.

DR. WEES: That is what some of the American publishers used to think was affecting us too, too many. Now, the effect of that was that the American book began to be sold and we were reaching the point of $1 million importations of which one firm especially had the major proportion and another second firm -- the two firms made up most of the sales but when

they saw this amount of money available in Canada, this was really an invitation for them to come and settle in because if they were here they would do so much better on their own than they would if their material was published in the States.

MR. CAMP: Just one more question which I would like to ask and I think it is implicit in what you say. In terms of creating literature for Canadian children, that is Canadian, is there any other way it can be done or that you can see it being done other than through deliberate government encouragement and intervention in that field?

DR. WEES: At the moment I would have to say I don't know any other way.

MR. CAMP: It is going to be a loss-leader anyway?

DR. WEES: Yes.

THE CHAIRMAN: A loss in terms of dollars perhaps but not in terms of social and cultural gains?

DR. WEES: Oh, no. But then the publisher can underwrite a lot of the cultural and social advantages.

THE CHAIRMAN: But the question I thought was put to you which you answered very well, I thought, had to do with government intervention, government subsidies to which you agreed, so that you have to have one to make the other go, if I understand it.

Mr. Camp is now trying to persuade me that the meaning of the words "government intervention" -- shall we take about half an hour?

MR. CAMP: Take five minutes.

THE CHAIRMAN: It would take me a half hour to understand it. Anyway, you said at the beginning that you were not sure foreign ownership was a matter of concern or not in relation to the educational publishing end of things. Is that a correct recollection of what you said?

DR. WEES: Yes, it is.

THE CHAIRMAN: I wonder if you' would expand on that? It is important for us. If that is your opinion, why is it your opinion and what do you base it on?

DR. WEES: I have a wide variety of experience, Mr. Chairman. I was brought up in the west and I lived in areas where 75 per cent of the homesteaders were American. They are not any more. I was brought up on Horatio Alger from the time I was six. Reading Horatio Alger from New York didn't make me any less Canadian and on the 4th July often when we were reading Horatio Alger we would tear down the Stars and Stripes and holler -- what was our thing -- "Yankety Yankety Yank, go home". This was long before it was invented by the Cubans.

THE CHAIRMAN: Do you think times have changed since those days?

DR. WEES: I don't think anybody today is more rabidly Canadian than we kids were in Moose Jaw in 1910, 1912 and 1913.

THE CHAIRMAN: If, under today's circumstances the balance of what is left of the Canadian book publishing industry was to be taken over by foreign interests in your opinion it would not change things very much and would not have any kind of a detrimental effect?

DR. WEES: The great thing to do would be to give the publisher money in order to do the things that must be done for Canadian publishing.

THE CHAIRMAN: Get it through the American firms.

DR. WEES: I was brought up on American textbooks. I think the textbooks I studied in high school were either British or American except that one lousy Canadian history.

DR. JEANNERET: Well, a man with your experience and background, your opinion is of great value to us and is very interesting.

MR. WEES: Well, it is just opinion and I don't know whether opinions really are of any value.

THE CHAIRMAN: Well, I am one of those who believes that opinion is probably one of the most valuable things that we have in life

because it is an expression of a person's thoughts and I am interested in other people's opinions, not my own.

Thank you very much, Doctor, we appreciate your coming.

SUBMISSION BY CANADIAN BOOKSELLERS' ASSOCIATION

THE CHAIRMAN: We have with us now, representatives of the Canadian Book Sellers' Association, Mr. George Ramsay, President; Mrs. R.B. Moore, Director; Mr. William Roberts, Director; and Mr. Bruce McCorkell, Secretary-Treasurer. We welcome you and we would appreciate it if you would talk with us about the significant points you wish to discuss in your brief. Who would like to speak?

MR. ROBERTS: I would, if you don't mind, Mr. Chairman. Mrs. Moore and I prepared this brief in Ottawa, so that perhaps it would be suitable if we spoke about it.

THE CHAIRMAN: Is there some significance to Ottawa?

MR. ROBERTS: It is simply we are both in Ottawa and given the circumstances, it seemed better two people in the same place should work on it.

THE CHAIRMAN: It is not we are sensitive about Ottawa, but we are aware it is there.

MR. ROBERTS: This is a short statement, of course, it is hardly a brief in the proper sense. I would like to, if you have no objection, read it rather than summarize it, since there is so little of it. If, however, you think that would take too much time, I could run through the main points.

THE CHAIRMAN: The noises I get on either side indicate you probably won't need to read it because we have read it, but a man with your experience and background, undoubtedly can gallop through it and pick out the points which he considers to be salient. Without putting you at a disadvantage, I wonder if you could sort of pick the high points and then we could have a questioning period.

MR. ROBERTS: Right. The main points of the brief are that the Canadian Booksellers' Association regard the book trade as a trade, an industry in which all the parts are highly integrated, perhaps more so than in other industries. We are perhaps a little concerned, some of our members are perhaps a little concerned that the problems which are trade-wide may be separated out due to the focus on publishers. We are not denying the fact and the fact we state quite specifically, that we agree publishers, some Canadian publishers, do have problems of a financial kind, amongst others. We endorse the idea which has been expressed that the publishers should have available to them some kind of low interest loan, perhaps aimed specifically at the publication of Canadian creative writings. We think that that principal might be extended into the retail level of the book trade and we would like to

amplify that a little later, perhaps. This is perhaps open to misconception.

We are not in the C.B.A. unduly concerned as an organization with the fact that many of the publishers' principal offices are in London or New York. We do not see this as a great threat in itself, provided that the Canadian publishing industry retains and develops a peculiarly Canadian character, opinions about what that character is and how important it is to differ. We feel that there are opportunities within the existing framework for even highly individualistic Canadian publishers to prosper.

The other matter that has concerned us is the business of library and institutional purchases being made outside the country and around the publishers and agents who would normally be expected to supply them. We do say we have thought that perhaps we might have phrased it a little differently, this part of our brief. We do say that we feel most strongly that every dollar of public money which is spent outside Canada by libraries of whatever type retards the proper development of the Canadian book industry. I think we would still support that statement, except that we might wish to say that we appreciate there are many libraries who do have very special requirements and we are certainly not

they have to have a theory. I don't know whether their theory is idealistic or not. There is another thing that I think I have in mind. I have suggested at the end that I don't know whether it is a good thing or a bad thing that Canadian publishers are being purchased by the Americans and the British, because every one of them that I know of is retaining -- if he is an interloper from the States, coming in on his own, he is creating Canadian staffs to do as much Canadian publishing, I would say, as there is need for. I don't think that we need to worry the way we are worrying about the American inroads. I have lived with them all my life. For heaven's sake, when I was a little boy I sold newspapers in Moose Jaw and I met the Soo Express at 8:00 o'clock in the evening and on the Soo Express were 25 copies of the Toledo Blade and Ledger and 25 copies of the Chicago Tribune, and I waited for the Winnipeg Express, and I had ten copies of the Winnipeg Free Press. I went along to all the buyers between Main Street and First Street West on River Street and I had my 25 copies of the Toledo Blade and Ledger and 25 copies of the Chicago Tribune sold by the time I got to the end of the block and I still had my copies of the Winnipeg Free Press. For heaven's sakes, that did not make us less Canadian.

DR. JEANNERET: Let me ask you

a question on this, because you are the person to deal with it, and you have opened it up, and that is the question as to whether or not it really matters where the ownership lies. We would agree immediately that Canadian content, Canadian-authored books, Canadian manufacturing conditions are embedded more firmly in Circular 14 in Ontario than they are anywhere else in the country, and you say on page 7:

> "Only as foreign publishers respond to Canadian needs will they, can they successfully achieve their full potential in the Canadian market."

That is a very shrewd observation, but wouldn't you also agree that the foreign subsidiary operating in Canada is likely to be more anxious than is the indigenous Canadian one to change those ground rules to open up the Canadian market as far as possible for the products of its parent company, revised or unrevised, as the case may be? In other words, isn't the whole commercial thrust, as far as he is concerned, in any direction of achieving a continental approach to the market, if possible? This, I think, is something we have to concern ourselves with and in asking the question, I am not answering it or prejudging it at all. It is a question that presents itself.

DR. WEES: I suppose the policy

will vary as among publishers. So far as our firm is concerned, W.J. Gage Limited, the whole set up is coloured Canadian publishing insofar as it is feasible, insofar as the need is there.

DR. JEANNERET: Of course, it is a reincarnation as an American subsidiary as of a very recent date, and we have been very favourably impressed by what we have heard but this danger might attach itself to them in the future and it might not. We don't know.

DR. WEES: Oh, sure. It took us many years before Winston, for example, in Canada were even permitted by the Philadelphia firm to publish Canadian books.

DR. JEANNERET: But then, I understand, they published a Canadian set of readers in place of Dick and Jane.

DR. WEES: They are into Canadian publishing now, up to their ears.

DR. JEANNERET: But they went in against the Dick and Jane readers. It is an interesting lack of pattern there. It could work the other way. You refer on page 4 to

> ". . . a very costly losing game I played (attempting systematically to develop Canadian authorship in children's literature) . . ."

throughout Canada, and so on. You are obviously referring to what Dr. Edwardh referred

to this morning, the Reading for Young Canada project. You were right in the middle of that and I think anything you can tell us about that is valuable. It was an expert brief, especially for information on this sort of point, that Gage submitted.

DR. WEES: I haven't seen it.

DR. JEANNERET: Your experience there would be helpful to us, because it was you who was in charge of that program.

DR. WEES: That was a sad story. You see, we had been publishing, or republishing American readers ever since 1934. There is a story there too. We were involved in creating a purely Canadian set of readers, but there was no Canadian literature -- am I just repeating what they said?

DR. JEANNERET: No, and this is what makes your advice so valuable.

DR. WEES: There was no Canadian literature, poetry and short stories and this is what we use in readers, available for our Canadian readers. We did the best we could and we commissioned authors where we could find authors. We wrote half the stuff ourselves because we had to. I decided that for the school publishing industry, we would go to work and we would create a Canadian authorship of material that would be appropriate for children's readers. We set out a pretty

generous program. We offered $150 for every poem or short story that was accepted, which is double the maximum that any magazine like Jack and Jill ---

DR. JEANNERET: The Junior Red Cross Journal.

DR. WEES: Everpaid, and in addition, we offered a prize of $300 towards the best poem or short story that was judged to be the best that had been received and had been published. We published two books with Canadian names, "Nunnybag", which is a Newfoundland name for a tote bag, and "Rubaboo", which name is also of Canadian origin. We received 8000 manuscripts a year and we had the darndest time trying to find material that was good enough to publish, but we did it. We did it over a period of five years and we lost over $17,000 a year, a total of $85,000. One of the main reasons we lost is just what these boys are talking about here. The Ontario Librarians' Selection Committee would not place them on their lists. The librarians in the other provinces wouldn't list them and I didn't know why, because I could only judge it was because they were Canadian. As this gentlemen who was sitting here said, "If it is Canadian, then it is assumed it is poor, so they won't list it".

DR. JEANNERET: Could I ask

one more question? You say -- I ask this because of your combined experience of Canadian educational publishing, and as an educator. You said -- in a generalizing way on page 4:

> ". . . the Ontario department will authorize only products that originate in Canada. In all other provinces the rationale is 'We want the best, and we don't know where it comes from'."

Could you enlarge on that just a little bit and reinforce it? I think we vaguely or generally understand the preferences that it refers to but is this Canadianism -- to what extent is this Canadianism rule an Ontario phenomenon, just so that we have it from your viewpoint and perspective?

DR. WEES: I stated the stated policy which I have received over and over again over a period of 33 years from the other provinces -- "If you can do anything as good as this, we will take it if it is Canadian. If you can't, if your product is not as good as this, then we don't want it". I don't know how to elaborate on that. Can you think of any question that I could respond to that would elaborate?

DR. JEANNERET: That means what it says.

DR. WEES: Yes. I don't know whether you have had any statements at all from the Canadian Studies Foundation. Have you?

DR. JEANNERET: Not yet.

DR. WEES: Will you?

DR. JEANNERET: I have put that question in writing to the Executive Secretary now.

DR. WEES: You see, in my catagories 3 and 4, I am really referring to this phenomenon, this sudden phenomenon of a national interest in Canadian studies for what is, such as Bernie Hodges' book, What Culture? What Heritage?

Now you have this national foundation being financed by various industrial firms and other sources interested in the development of not just materials but techniques of teaching about Canada. What Bernie found, Bernie Hodges found, was that kids hated anything about Canada. Children hated anything about Canada. They didn't hate it, but they were completely apathetic because it was taught in such a completely humdrum fashion -- no drama in it, not dynamism in it. Yet, there are in the archives, thousands of papers that are enthralling. I was talking to a teacher the other day who has been reading -- has Farley Mowat been compiling Arctic materials? It seems to me it was some excerpts from some

of the British exploring parties going into the Arctic and how they were three years there and everyone died -- only three got out.

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DR. JEANNERET: I know that from the Dictionary of Canadian Biography that they are there.

DR. WEES: At the end as you may recall about the government financing of research and development, I think I would qualify what I said by suggesting that government perhaps for materials of Canadian studies which would be a limiting factor -- my problem with government grants generally is the fact that it would have to be a whole industry underwriting because there is no limiting factor, because every book is a product of research and development but I think that it would be possible, if it were possible, it would be tremendously helpful, if authors could be subsidized and if publishers could be subsidized in this area if only let us say for five years or for a period of time to get the thing going in this area of Canadian studies.

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whole trend in education now, to think about the source materials rather than to read somebody else's interpretation of source material. That would be one and then authors for children's dramatic books on stories about the Canadian scene of historical interest. If that were feasible it would be just about the finest thing that any group of people ever did for Canadian schools.

MR. CAMP: Dr. Wees, you conclude your brief to the Commission in which you equate Uganda, Tanzania and Canada. I presume that is hyperbole in respect to education.

DR. WEES: Well, you see the American publishers have really discounted Canada in the last 10 or 15 years so two or three are involved here. Winston I have mentioned, I think, and Ginn. I think early on those were the only two but now we have practically everybody. Then I discovered Charles E. Merrill has an office in Toronto.

MR. CAMP: The question I was really going to get at was that you said,

" Unfortunately for the school book industry the availability of Canadian human resources and a thoroughly fragmented market -- arrived at the same time,"

Then you say:

" The market fragmentation has been due

" to (a) the establishment in Canada of branches of American and British firms to double the number of educational publishers and (b) to changes in educational and book purchasing practices."

My question is that it had occurred to me that it was because of the economics in the book publishing industry created by the fragmentation that created the necessity for some other kind of publishing enterprise in Canada other than an indigenous one. As we learned this morning one of the contributions that the American publishing industry has made for itself in Canada has been the contribution of capital which has allowed it to survive the multiplicity of texts in the shorter runs and so on.

So, my question really is: Did the coming to Canada of American and British firms create the problem or did they come in response to the problem?

DR. WEES: In response to the problem. I think you can answer it both ways.

MR. CAMP: I can't answer it as well as you can.

DR. WEES: I don't know. I think they came largely because -- well, perhaps for one reason that the United States dollar was at a discount for so many years in Canada that we began to feel that Canada was a wealthy country and there had been so much news in the

United States about Canadian development and resource development so here we are, a little market, smaller than the State of New York in English population, for example, and these so-and-so's all come in and settle down. I don't know why they don't all congregate in New York State and settle in New York State.

MR. CAMP: You referred earlier and used the expression about a Canadian publishing industry insofar as the need is there which sounded like a qualification but I assume it isn't.

DR. WEES: That is in what connection, Mr. Camp?

MR. CAMP: Well, you developed two arguments here and I can't tell which side you come down on. You indicate that there has been a contribution made by an American-based publishing industry and it does play an essential role. I think you gave the example earlier of selling newspapers in Moose Jaw and that it really didn't matter much, the genesis of the newspaper. As a matter of fact the only thing that seemed to matter was your clients preferred the Toledo Blade to the Winnipeg Free Press. So do I.

DR. WEES: I think there is a history here, Mr. Camp. I think this all goes back to the mid-1930's when professional education suddenly appeared on the Canadian scene. Now,

I am using Alberta in my mind as an example because that is where I was at that time and that was the educational environment in which I was living. Progressive education requires not just -- this was one of the big changes that occurred as a result of progressive education in the States -- progressive education required not just a single authorized textbook as had been our experience during the 1920's and earlier but a plethora of books and so in the mid-1930's every publisher in Canada went to work to get American agencies. We didn't have at that time a single American agency. We published some books and we published one book back in, I think, 1905 or something like that but we didn't have an exclusive American agency.

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they saw this amount of money available in Canada, this was really an invitation for them to come and settle in because if they were here they would do so much better on their own than they would if their material was published in the States.

MR. CAMP: Just one more question which I would like to ask and I think it is implicit in what you say. In terms of creating literature for Canadian children, that is Canadian, is there any other way it can be done or that you can see it being done other than through deliberate government encouragement and intervention in that field?

DR. WEES: At the moment I would have to say I don't know any other way.

MR. CAMP: It is going to be a loss-leader anyway?

DR. WEES: Yes.

THE CHAIRMAN: A loss in terms of dollars perhaps but not in terms of social and cultural gains?

DR. WEES: Oh, no. But then the publisher can underwrite a lot of the cultural and social advantages.

THE CHAIRMAN: But the question I thought was put to you which you answered very well, I thought, had to do with government intervention, government subsidies to which you agreed, so that you have to have one to make the other go, if I understand it.

Mr. Camp is now trying to persuade me that the meaning of the words "government intervention" -- shall we take about half an hour?

MR. CAMP: Take five minutes.

THE CHAIRMAN: It would take me a half hour to understand it. Anyway, you said at the beginning that you were not sure foreign ownership was a matter of concern or not in relation to the educational publishing end of things. Is that a correct recollection of what you said?

DR. WEES: Yes, it is.

THE CHAIRMAN: I wonder if you would expand on that? It is important for us. If that is your opinion, why is it your opinion and what do you base it on?

DR. WEES: I have a wide variety of experience, Mr. Chairman. I was brought up in the west and I lived in areas where 75 per cent of the homesteaders were American. They are not any more. I was brought up on Horatio Alger from the time I was six. Reading Horatio Alger from New York didn't make me any less Canadian and on the 4th July often when we were reading Horatio Alger we would tear down the Stars and Stripes and holler -- what was our thing -- "Yankety Yankety Yank, go home". This was long before it was invented by the Cubans.

THE CHAIRMAN: Do you think times have changed since those days?

DR. WEES: I don't think anybody today is more rabidly Canadian than we kids were in Moose Jaw in 1910, 1912 and 1913.

THE CHAIRMAN: If, under today's circumstances the balance of what is left of the Canadian book publishing industry was to be taken over by foreign interests in your opinion it would not change things very much and would not have any kind of a detrimental effect?

DR. WEES: The great thing to do would be to give the publisher money in order to do the things that must be done for Canadian publishing.

THE CHAIRMAN: Get it through the American firms.

DR. WEES: I was brought up on American textbooks. I think the textbooks I studied in high school were either British or American except that one lousy Canadian history.

DR. JEANNERET: Well, a man with your experience and background, your opinion is of great value to us and is very interesting.

MR. WEES: Well, it is just opinion and I don't know whether opinions really are of any value.

THE CHAIRMAN: Well, I am one of those who believes that opinion is probably one of the most valuable things that we have in life

because it is an expression of a person's thoughts and I am interested in other people's opinions, not my own.

Thank you very much, Doctor, we appreciate your coming.

SUBMISSION BY CANADIAN BOOKSELLERS' ASSOCIATION

THE CHAIRMAN: We have with us now, representatives of the Canadian Book Sellers' Association, Mr. George Ramsay, President; Mrs. R.B. Moore, Director; Mr. William Roberts, Director; and Mr. Bruce McCorkell, Secretary-Treasurer. We welcome you and we would appreciate it if you would talk with us about the significant points you wish to discuss in your brief. Who would like to speak?

MR. ROBERTS: I would, if you don't mind, Mr. Chairman. Mrs. Moore and I prepared this brief in Ottawa, so that perhaps it would be suitable if we spoke about it.

THE CHAIRMAN: Is there some significance to Ottawa?

MR. ROBERTS: It is simply we are both in Ottawa and given the circumstances, it seemed better two people in the same place should work on it.

THE CHAIRMAN: It is not we are sensitive about Ottawa, but we are aware it is there.

MR. ROBERTS: This is a short statement, of course, it is hardly a brief in the proper sense. I would like to, if you have no objection, read it rather than summarize it, since there is so little of it. If, however, you think that would take too much time, I could run through the main points.

THE CHAIRMAN: The noises I get on either side indicate you probably won't need to read it because we have read it, but a man with your experience and background, undoubtedly can gallop through it and pick out the points which he considers to be salient. Without putting you at a disadvantage, I wonder if you could sort of pick the high points and then we could have a questioning period.

MR. ROBERTS: Right. The main points of the brief are that the Canadian Booksellers' Association regard the book trade as a trade, an industry in which all the parts are highly integrated, perhaps more so than in other industries. We are perhaps a little concerned, some of our members are perhaps a little concerned that the problems which are trade-wide may be separated out due to the focus on publishers. We are not denying the fact and the fact we state quite specifically, that we agree publishers, some Canadian publishers, do have problems of a financial kind, amongst others. We endorse the idea which has been expressed that the publishers should have available to them some kind of low interest loan, perhaps aimed specifically at the publication of Canadian creative writings. We think that that principal might be extended into the retail level of the book trade and we would like to

amplify that a little later, perhaps. This is perhaps open to misconception.

We are not in the C.B.A. unduly concerned as an organization with the fact that many of the publishers' principal offices are in London or New York. We do not see this as a great threat in itself, provided that the Canadian publishing industry retains and develops a peculiarly Canadian character, opinions about what that character is and how important it is to differ. We feel that there are opportunities within the existing framework for even highly individualistic Canadian publishers to prosper.

The other matter that has concerned us is the business of library and institutional purchases being made outside the country and around the publishers and agents who would normally be expected to supply them. We do say we have thought that perhaps we might have phrased it a little differently, this part of our brief. We do say that we feel most strongly that every dollar of public money which is spent outside Canada by libraries of whatever type retards the proper development of the Canadian book industry. I think we would still support that statement, except that we might wish to say that we appreciate there are many libraries who do have very special requirements and we are certainly not

advocating that those libraries, with their special requirements, be forced to buy in Canada.

We suggest a little later on in the brief that if library business in Canada were to be developed through Canadian agencies and jobbers and so on, there might be an opportunity for the Canadian bookseller to play a somewhat larger role in the supply of libraries. This is a matter which has exercised the book trade for many years, of course. However, I think, despite some opinion, it is still a live issue. We are not attempting to resurrect it. It has never really died in the minds of booksellers.

I perhaps might conclude by reading the last paragraph of the brief which is:

> "The Canadian Booksellers Association is well aware that this brief statement ignores many complexities. We do not wish to minimize the difficulties nor to underestimate the problems created within the trade by conflicting interests and honest differences of opinion. Booksellers are not entirely simplistic. Most of them grapple every day with the hard

realities of operating in a field of business which is in Canada still marginal. Any bookseller knows that books are still incidental to the lives and activities of most Canadians regardless of income. This is the core of the industry's problem at all levels and it is this hard but evident fact to which the book trade, publisher and bookseller alike, must address itself in the coming years."

That concludes our summary of our feelings on the matter and we would be glad to answer any questions.

MR. CAMP: Would you describe your organization in terms of who you represent?

MR. ROBERTS: I think, with your permission, Mr. McCorkell will be able better to do that because he is our Secretary Treasurer.

MR. McCORKELL: The Booksellers' Association is a volunteer association attempting to get all those people who primarily practice the role of booksellers involved on a volunteer basis to enhance and advance that particular portion of the industry. We have 187 stores as members, and by "stores", please don't isolate that. Some of them are chain stores and we

don't count the components of the chain, just the chain name. We have representations right through from Newfoundland, through to Vancouver. We subdivide it for working purposes into two inner groups, one the downtown retailer and the other the campus bookstore which, in most cases, are operations which are owned and operated by the institution they happen to be working on. The association has an executive which is elected by the mass of the membership. We define the seats so we have correct representation on the executive by reserving certain seats for certain geographical areas of the country and certain seats for the practical emphasis of the industry, in other words, certain seats for trade books and certain seats for college books. The Board of Directors meet throughout the year. The membership meets once at our general annual meeting which, by our study advancement now, is spread across the country. It used to continuously be in Toronto but now we set down the principal that once every three years it is in Toronto and alternate years it is in the west or the east, so the membership, the staff membership of the stores can get to know the people they are practising with, the principals of the firms they do business with and so forth. Does that answer your question, sir?

MR. CAMP: I don't know whether

you were here this morning or not?

MR. ROBERTS: I am sorry, we were not.

MR. CAMP: We had a submission from the Canadian Federation of University Women Clubs and they suggested, in order to increase the Canadian content in such outlets as those represented by your organization, there be some legislation and licensing provisions which would require some percentage of all titles or all of the total area of the store be given over to Canadian books. This was very strongly argued. What is your reaction?

MR. ROBERTS: This is an argument that a retail bookseller hears a good deal of, a trade bookseller. The representation of Canadian titles in bookstores, my impression is it differs rather widely across the country, but certainly in larger book stores my experience is that Canadian titles are well represented. It depends, of course, on your opinion as to what depth a bookseller should go in stocking Canadian titles. There are many titles which we will sell -- I am speaking now presently, as a retail bookseller with rather large book sales. There are many titles we would sell one or two or three of a year and many of these we keep and carry on our shelves, although the book turns over only

once a year. This is one of the trade's problems. However, there are books you have really no great expectation of selling in a retail bookstore and these titles are special orders, quite reasonably, I think. However, there are many people who will, especially in the university, departments come into the book store and ask for a title dealing with the economy of the Canadian Arctic or a rather specialized subject, and be surprised not to find it. They are unreasonably surprised not to find it, I think.

THE CHAIRMAN: I would be glad to write one for you.

DR. JEANNERET: You made a bad choice.

MR. ROBERTS: The number of titles which a bookstore can carry are obviously limited, depending on the degree of nationalism of the bookseller and the type of trade he has. He will try to carry as many Canadian titles as possible, but it is not possible to carry all of them, quite obviously.

I really don't know whether there is anything else I can usefully say about it. I think that it is an unreasonable demand and I don't think there is any kind of legislation that would work. I, as a bookseller, would resist strenuously any attempt by anybody to tell me what number of titles

I could carry in any category, Canadian or otherwise.

MR. CAMP: To go on a little further on this, for our information, what are the principal -- what the principal complaint seems to be, and there would seem to be some bitterness to it, is in regard to the paperback publications, in which the Canadian content seems to be almost negligible in the mass market, as my colleague, Dr. Jeanneret, is saying.

MR. ROBERTS: I think there is a justifiable complaint there. I am not myself terribly involved in the mass market field, and if we are thinking in terms of distribution through the rack jobbers, I think there is a justifiable complaint in that Canadian titles are not well represented.

MR. CAMP: Don't many of your members have this rack-jobbing facility in their premises?

MR. ROBERTS: I think not many. The proportion, I am afraid, I couldn't help you with. I don't think there is any way we can.

MR. McCORKELL: Not with any accuracy.

MR. ROBERTS: No What happens quite often in my own case, for example, and in the case of many people I can think of, we have racks and we have mass market paperbacks. The distribution, however, is not left up to

the rack jobber. It is just a case of making our own selection. The problem arises, I think, in the cases where the jobber physically handles the paperbacks, moves them down the rack as they age and takes away the unsold titles after a specified period. They don't seem to be able to accommodate Canadian titles in our system.

MR. CAMP: On page 3, part 2,

"We also feel most strongly that every dollar of public money which is spent outside of Canada by libraries of whatever type retards the proper development of a Canadian book industry."

You are really talking about the purchasing policy and not actual titles?

MR. ROBERTS: We are urging that the general principle, which has been expressed here, that if a book is available through a Canadian jobber, publisher, wholesaler or whatever, then that is the way it should be purchased.

Am I in tune with you there?

MR. CAMP: Yes, that is correct. This is an observation you make in regard to the general interest of the public in the publishing industry and not to your interest particularly?

MR. ROBERTS: No, not to our interests although it would serve our interests. We make the point, I think, that the experience would rather lead a retail book seller to believe that one of the problems in Toronto, one of the publisher's problems -- the question of reporting accurately and regularly, reporting whether titles are available or not and carrying in stock a sufficient number of titles to fulfil certain demands and this sort of thing may arise in some degree from the fact that his volume of business is not large enough to enable him to set up on a basis that would enable him to do that. This, of course, affects the retail book trade as much as it does the library system. We are all served from the same fountain and if it is defective for whatever reason, we all suffer. That is why book sellers are concerned about this matter.

MR. CAMP: We had a librarian here earlier, perhaps were here?

MR. ROBERTS: No.

MR. CAMP: Who made a $1,800 purchase through a Canadian jobber in May and got his books in December. It is a long, long time from

May to December.

MR. ROBERTS: It is indeed.

MR. CAMP: I think what you are suggesting is, if you a fiat such as the one that you would lead to here where there was some compulsion to purchase through a Canadian outlet then there might be a greater efficiency as a result of that in service?

MR. ROBERTS: Yes, that is a very strong feeling of our Association.

MR. CAMP: You are not going to uphold the present condition of the service?

MR. ROBERTS: I would not want really to -- I can't think of anything I could add to what you have already heard from other quarters. I think you have been fairly well briefed on that matter. I can't endorse it. Some service is appalling, some service is good. The publishers who provide good service are well known in the trade as are those who provide bad service but the general level of service, I think I would have to say, is no more than average and that might be putting it rather high. There are notable exceptions to that.

DR. JEANNERET: I want to get back on the question that Mr. Camp was asking and he developed it a little bit briefly but first of all a general question. Let us suppose that for some reason in the future -- and this would be connected with this question and possibly not --

the absolute volume of publication of Canadian authored and Canadian published books at all levels should sharply increase, significantly increase, and assume that this meant the publication of Canadian books of a superior standard, otherwise you would not handle them -- would you as a book selling trade in Canada stand to benefit or suffer or would you be indifferent to this? I don't mean emotionally but I mean economically. Do you feel that there are only so many dollars going to be spent in your stores anyway or do you feel that there is always room for another good book and that that would be plus business?

MR. ROBERTS: Well, I will answer that if I may from the point of view of the retail trade book store and then perhaps one of the college people might say something about that because they are affected, I think, quite differently. I think any improvement in the quality and the volume of Canadian publishing of Canadian books would benefit the trade book stores.

There is a growing interest in Canadian books amongst book buyers and the main motivation for buying a book amongst many people is the fact that it is Canadian. There are many people who would by any other standards be described as non-readers who will buy a book because it is Canadian and read it. So that my

interest in this matter, if it were to be reduced simply to commercial terms, would be that the more Canadian books there were, the more access I would have into the market in that way.

The only reservation one might have is that if this idea were coupled with any sort of preference for the distribution and stocking of Canadian books as we were mentioning earlier it would certainly work against the book stores.

DR. JEANNERET: I would not be proposing regulations as part of the question.

MR. ROBERTS: If there are more Canadian books and they are good Canadian books then, yes, I think it would enlarge the market for Canadian books and ultimately and hopefully the market for books in Canada.

DR. JEANNERET: I should not put it this way but I will: Would you agree that if every Canadian book carried a symbol or a maple leaf that there would be a psychological deterrent provided thereby, rather reverse psychology in that it might single out what is Canadian and, therefore, not so good? I am not recommending anything here one way or the other. I just want to know whether or not Canadian identification as such would be good, bad or relatively unimportant?

MR. ROBERTS: I think on a wholesale scale if every Canadian book that was

published would carry a thing of that kind, a maple leaf or beaver or whatever, I don't really think it would make much material difference. It might be rather amusing in the minds of some people and might do more harm than good. I don't think it would be significant in either one way or the other.

DR. JEANNERET: When we are speaking of trade books which would be fiction and poetry, the whole kit?

MR. ROBERTS: Yes, I think the stronger identification of certain kinds of Canadian books might help in this regard. Do you mind if I say a few words about that?

DR. JEANNERET: Please do.

MR. ROBERTS: We don't have any adequate facilities for publicizing, for impressing on the public mind a really good Canadian book when it comes along. The Governor General's awards now seem to be merely a matter of indifference.

DR. JEANNERET: Strictly surreptitiously handed out?

MR. ROBERTS: Yes, they tend to be, and I think if we could infuse a little enthusiasm into the giving of awards and the praising of Canadian authors where it is justified, books of that kind might be identified and quite usefully.

DR. JEANNERET: Does Mrs. Ramsay

more or less agree with these observations?

MR. RAMSAY: I certainly do agree with them.

DR. JEANNERET: I would like to ask a question along the line of what Mr. Camp was on and I will try not to overlap too much. You do rate this possibility of the insertion of a Canadian retail book store in a publisher-library chain of supply but not for the first time and it is a very interesting idea. It is the standard continental practice, Australian and very generally followed abroad. It is rather remarkably sharply reflected in the most recent regulations from the Ministere des Affaires Culturelles. I don't know whether you are prepared to talk about or your reactions to the regulations. You don't pursue it at all. I don't think many librarians would endorse the idea but it would be theoretically ideal, there can't be any doubt about that.

The Commission has to be practical, however, so let us suppose that libraries did procure their books through the book trade in this country,-- that may never come to pass -- would you propose that every retailer in Canada then tender against every other retailer or have the privilege of doing so for each block of business or how would it work? Wouldn't it follow that there would be two or three large jobber retailers, and it is a pretty fair guess

they would be in Toronto, satisfying the regulations if not the customers and might these large jobbers be foreign-owned very easily, perhaps even making their purchases abroad and buying around to the detriment of the Canadian publishing industry which, at least in part, we are out to help? Could you comment on how this ever might be made to work?

MR. ROBERTS: I don't know whether I can comment very usefully. I think that all the things you described could happen.

DR. JEANNERET: Probably would.

MR. ROBERTS: Probably would, yes, there is no doubt about it. Given the present circumstances I don't think it is beyond the possibility to devise a system which might try to avoid some of those possibilities. I would not profess to have any aptitudes in that direction. I think perhaps the most I can say about that is that I don't really see this as a concept in which necessarily all library purchases have to go through the retail trade.

The situation as it exists at the moment is such that it is virtually impossible for library purchases to go through the retail trade. So, if the situation were even adjusted minimally there would be room for book sellers who were willing and able to handle library trades to pursue it.

As it is at the moment they have

two strikes against them before they even begin, rather more, two and a half. So, that I would think what really --

DR. JEANNERET: I would just like to wind up by trying a little heresy on you because we have heard it discussed before. You people are in a good position to comment on it. It has often been observed that what this country lacks is book sellers. I am sure that you don't feel that it does in your immediate vicinity in any case, but taking it by and large across the country, the smaller and intermediate centres are not supplied with book stores and you are not dependent on their sales so perhaps this is not as competitive a notion as it may sound.

The suggestion has been made that there might be some procedure whereby book selling could be encouraged in centres well removed from the centres in which the members of your Association are located, avoiding competition with great care. Possibly even by being a bit creative about it and establishing this as a spin-off function of librarianship, for example. Perhaps the libraries in certain types of centres might be encouraged and enabled to provide a service, not only of handing books out but taking them back and handing them out and taking money for them, with built-in safeguards which would permit private enterprise appropriately

and being subject to some sort of formula to establish its own book selling outlet in such a centre.

Do you see disaster in this or is this a permanent wastage of money or is some degree of public service possible? Any thoughts from your industry would be helpful. We are not carried away with it or anything.

MR. ROBERTS: No. I noted that question in an earlier exchange. I noticed the reaction to it. We have not at all canvassed our membership about this so that the question is rather tricky but I would not really see any basic objection to the idea of libraries retailing books in certain very remote areas.

DR. JEANNERET: Avoiding competition?

MR. ROBERTS: Avoiding competition and as an abstract sort of idea I find it hard to object to. I can't quite visualize the sort of area to which it would apply where there is no competition short of -- well, even in the far North. I find it hard to put my finger on the spot. Do you have any thoughts?

DR. JEANNERET: I think one could go around the Province of Ontario and stay pretty far away from any of the members of your association.

MR. ROBERTS: That is perfectly true but they are not far away from post offices and the mails.

DR. JEANNERET: That is why I say you don't really depend for much of your livelihood on mail order business.

MR. ROBERTS: That is inaccurate. I personally, our mailing is large and extensive and is an important part of our business.

THE CHAIRMAN: Large in the Ottawa region, or is it large in the points of destination outside?

MR. ROBERTS: It is large in the Ottawa area, larger than it is outside, but it is substantial. We do mailings ---

DR. JEANNERET: So do the book clubs.

MR. ROBERTS: Yes. When I say mailings, I mean mailing a book. I don't mean soliciting business by mail. We do a fair amount of business in that way. However, I am not interposing this as an argument against libraries selling books in remote areas. I remarked only that it is not quite true that the booksellers don't have any mail business.

DR. JEANNERET: No, I didn't say that. I just put that forward for your

consideration.

MR. ROBERTS: I think, really, I would not care to go any further on that because I think it is something our membership should be canvassed about. This is a difficult question to answer and I am sure there will be a lot of feeling about it.

MR. McCORKELL: I would just like to make one comment on that. My experience in book selling is in the west and in the Province of Saskatchewan we have got the areas such as you refer to where the populations exist but are widespread. I know from experience I have had there that these centres do appreciate the capability of getting books by mail which could be handled very easily by the bookseller. These people come into these areas periodically every three months or so to shop and they can then come into a bookselling establishment and see these books. It is much better to buy a book when you see it than to buy it on speculation and those areas, I suggest, whatever could be done by a library, it would be a much more better service done by a bookseller.

THE CHAIRMAN: My distinguished colleagues have covered most of the points. Mr. Camp has another one, he says he wants to cover.

My point that I just want to ask

you about is rather less practical than those that have been asked of you before and it relates to what is said on page 5. I suppose the nature of the statement you make points up the difficulty involved and I think it is inherent in what we get to look at. You say, in the second paragraph:

> "What is important is that the Canadian publishing industry as a whole should be infused with a vividly Canadian personality, that the peculiarly (and often eccentric) Canadian point of view should be able always to find expression."

I daresay it has never been said the Canadian point of view, if it is from time to time eccentric, that Canadians would not have a monopoly on eccentricity. If there is to be a target, and I think it is not an unreal goal at all, the publishing industry should be infused with a vividly Canadian personality, that also assumes it will have a live body with which to grow and dwell.

In your expression of opinion, consider that a Canadian personality can dwell in vivid terms in the publishing industry if the publishing industry is by and large in the majority controlled by interests which are not Canadian? This is a question.

MR. ROBERTS: First of all, the eccentricity of the Canadian point of view, our point was not that Canadian views were often eccentric, but the point was that even when they were eccentric, they should be able to find expression, provided they are, of course, not too eccentric. As to your question, I don't think that it is possible, no, for a Canadian personality to find this expression in an industry which is largely foreign-owned, through it through an industry which is largely foreign-owned. We are certainly far from suggesting that. We rather more intended to indicate that the fact that sections, certain large publishers were foreign-owned, that their headquarters, their finances are determined in New York or London, was not in itself a cause for alarm, provided there were balancing sections of the industry which were Canadian-owned and could look after specifically and peculiarly Canadian interests. That, in fact, would seem to many of us to be the ideal situation. I am not sure really that an entirely Canadian-owned industry would have any real benefits against an industry which is well balanced in that regard.

THE CHAIRMAN: Do you think the industry is in an ideal or balanced condition at this time, to your knowledge, or what is your opinion on that?

MR. ROBERTS: I think that book sellers have often found it very difficult to get any information from publishers and your Royal Commission, if nothing else, is informing the trade, substantiating a great many opinions we have had and I think it has been enormously useful and informative, quite apart from anything else. Judging from what we have read and seen of the briefs of far and opinions that we have built up over some years, I don't think anyone could claim that. The remedies are something else, of course, but I think there is no question that the publishing or book trade is in an unhealthy situation.

MR. CAMP: Why do you think it is that book stores do such a lousy job promoting Canadian books in comparison to their American books? Would you say there is a distinctive pressure that book stores overstock U.S. books and understock Canadian books, that the U.S.books gets the most prominent display areas in the store, the merchandising materials of U.S. books get prominence in stores and over Canadian promotional materials? I would suggest that Quo Vadis must have been stuffed under the Christmas trees of thousands of Canadians who thought it was a primary text in Latin. The predominance of merchandising in books in retail trade during the Christmas period, the American best-

seller list, whereas, I remember the Canadian best seller list had seven out of ten Canadian titles last year.

MR. ROBERTS: Yes. I think there is some justice in that. American books often do get, or do seem to get a better promotion on British books than do Canadian books. I think that is not perhaps largely the fault of the book seller. I would not attempt to shift the blame entirely. After all, we are speaking of fall and Christmas and that season of the year only comes around once a year. However, I think there are reasons for that. The promotional material offered by American and British houses in Canada is better, by and large, than that offered by Canadian houses for their own Canadian books. Often the promotional material is not good and consequently it is not used.

MR. CAMP: Is that an aesthetic judgment?

MR. CAMP: It is an aesthetic judgment primarily but that is where the judgment is made in most book stores. If the material rolls in and looks appalling, you throw it away. It is as simple as that. I am not -- the reasons are evident. It is a question of the amount of money you can afford to spend promoting a book and the amount of promotion which goes into an American best seller compared

with a Canadian best seller, is much, much larger and not only in Canada. We get the spin-off for all the American publications, magazines, television programs, talk shows and so on. The pressure on a book seller to have stock in depth of best-selling American or British books is very great. I think that situation has been changing in the last few years. The situation you just described would no longer be true in a good many book stores, certainly not in mine. Canadian books have prominence of display, preference of display area. Certainly they have equality with -- some of our best sellers in recent years -- I mean best sellers in a quantitative sense, the copies we have sold most of, have been Canadian books. Is it true in the book-selling trade the more you stock the more you sell?

MR. ROBERTS: Yes, it is, generally.

MR. CAMP: That is psychology.

DR. JEANNERET: You could add, the more you lose, too.

MR. ROBERTS: This kind of generalization is always open to exception. The policy I have adopted is, if you have the quality e product, if you have a lot of rubbish you will sell a little rubbish if it is rubbish, but by and large the quality of the product, it is better to have quite a lot of it.

MR. CAMP: One more question because I won't have a chance to ask such a unique group again. Some retailers have told me, with regard to the best-seller list, they suspect what the book sellers were doing was promoting books they were trying to unload as best sellers rather than promoting what the real best sellers were.

MR. ROBERTS: Yes, I suppose -- this is a point of view expressed by?

MR. CAMP: Some retailers, some prominent Canadians.

MR. ROBERTS: I can't really answer that becauae I can only answer for myself, not for other people. The best-seller list in Canada compiled -- I don't really know from how many stores.. The Toronto newspaper list.

MR. CAMP: This is across the country.

THE CHAIRMAN: At this end of the table we agree that Mr. Camp's best seller list is on the basis of merit.

MR. CAMP: That was not a subjective question.

THE CHAIRMAN: Thank you very much for coming. You have been most helpful and we appreciate it.

SUBMISSION OF CANADIAN AUTHORS' ASSOCIATION

THE CHAIRMAN: Ladies representing the Canadian Austhors' Association, Mrs. Lyn Harrington, who is the national secretary, and Miss M. Carol Wilson, President. Who will speak to us?

MISS WILSON: I will be glad to make an opening statement if I may. As creators of publishable material, the writers of Canada are deeply concerned with the recent economic crisis in Canadian publishing as well as the encroachment of American publishing houses. We feel the fault does not lie entirely with Canadian publishers themselves, but is caused by a general lack of Canadian nationalism, the high cost of printing and by the proximity of the United States. Stronger copyright legislation is needed which, hopefully, would incorporate public lending rights to the benefit of those publishers and authors. We deplore the lack of support and encouragement to beginning writers. There are beginners in all art disciplines. These beginners are bound to form the nucleus of our future cultural society. The littlest dancer on the stage benefits from the increasingly large grant provided for ballet

(page 1744 follows)

productions, yet grants have waned in the encouragement of creative writing and in publishing works of literary value which may be uneconomic. We appreciate your consideration of the briefs submitted by us and will try to clarify any point which you may question.

DR. JEANNERET: On page 6 you make a reference there three-quarters of the way down the page you say:

" To put it another way, what Canadian publisher can hope to produce a comparable book on Ancient Greece, what Canadian author write it or what Canadian artist illustrate it?"

And it strikes me that the Canadian author or artist, for that matter, is not at the same disadvantage as the Canadian publisher in a project such as producing a history of Ancient Greece to use the example you have used. I would think you would be on very much the same level of competition as any other author in North America. It is a question of where you would go to find this publisher, isn't that true?

MRS. HARRINGTON: No, I don't think so, Dr. Jeanneret. If an American publisher is developing a series on classical countries he has a very large audience or potential field of customers. The Canadian does not have so large a field of customers. When I write a book I would prefer to have it published in the States.

DR. JEANNERET: That is the point, the author is not at the same disadvantage as the publisher is at.

MRS. HARRINGTON: I mean they are

in it together.

DR. JEANNERET: But you got your book published?

MRS. HARRINGTON: Yes.

DR. JEANNERET: On page 7 you make a kind of friendly reference to a problem of publishers under paragraph 21. I think that you are, if I may say so, saying yes indeed, this is tough for the textbook publishers and we are very sorry for them but I think in doing so you may be betraying your own cause, at least I have said so -- I have not said so, I have asked the question every time that the proposal has been made, that a textbook considered for inclusion in Circular 14 -- I am spelling it out now, the regulation that requires or the procedure that requires that it be published before its admittance is decided has been protested by several publishers as being vastly expensive putting them to great cost and in some cases losing out. So, you would sooner exploit the author, in other words, if you don't get the authorization, then you don't publish.

We have had varying answers on this and have raised the question, why don't you publish anyway and go on after another province and some say that they would. Do you really feel that it is in your interests as an Association of Authors that if a book is

not prescribed then it should not be published and that it might not be published?

MRS. HARRINGTON: I think it is a waste of an author's time and it takes a great deal of time to do a textbook. We are simply wasting our time. If we went to a publisher and got paid some $250 let us say, advance royalty on the hope that the thing is going to go and eventually it folds up and you get a small sale of which you might get, say, $500 more in royalties?

DR. JEANNERET: You don't prefer to not have the book published at all, do you?

MRS. HARRINGTON: Yes, indeed, why waste my time?

DR. JEANNERET: But you have written the book by now?

MRS. HARRINGTON: A textbook you write in co-operation with an editor or publisher. A novel you write out of your own heart, of course.

DR. JEANNERET: Exactly, but what the publishers are claiming -- I think this is a matter of understanding what we are referring to -- what some of the publishers have claimed is that they should be able to submit the finished manuscript or the specifications of construction and get a yes or no.

I am quoted as saying that the author by that time has shot his or her bolt and

it seems to me that it is not in your interests to argue, not in your interests as authors to argue that it is perfectly all right if a book is not published. Perhaps we should not pursue it. I just want to draw it to your attention. You don't have to agree on it at all.

One other question: Your reference to authors' lending rights fascinates me. I think all of this has been discussed several times already by this Commission. It is an interesting fact that it can be separated from copyright and therefore got completely within the jurisdiction of this Commission. It doesn't mean that we are going to do anything but I do point out that it does not necessarily attack the copyright. We could say that books in red covers should be treated in such and such a way in the future or something like that, although we are not going to say that.

You argue, however, with some force that it is manifestly unfair that the author is forced to become a public benefactor through the multiple use of a single copy of his book and this is a pretty good argument and has been recognized in Scandinavia and is being recognized in the U.K. and so on, but do you agree that the same disability and the same loss of incentive is suffered by the publisher?

MRS. HARRINGTON: Oh, yes, very

much so.

DR. JEANNERET: So, we are talking about copyright owners lending rights perhaps, is that right?

MRS. HARRINGTON: I think it comes under the blanket public lending rights and having said a great deal in another brief to the Copyright Commission I held myself to a paragraph here. Oh, yes, I think publishers should.

DR. JEANNERET: Then, everything should be paid to the copyright owner which means they would look at the contract and look at the copyright notice and then the contract between author and publisher and decide whether all went to the author or two-thirds went to the author or whatever it might be. This is very important because the Scandinavian system does not include the publisher, I believe.

MRS. HARRINGTON: No, but it does include the translator and the illustrator and we enlarged it in our submission to include the publisher because we think that he has risked as much as anyone else.

DR. JEANNERET: Well, since we are concerned with publishing it is important to know your position.

MISS WILSON: And I think they intend in the United Kingdom -- I have just come

back from a session with the Society of Authors there and I have a brief from them on this particular point and I think they intend to include publishers too.

DR. JEANNERET: They do too, but I think that Lord Ecclestone -- I stand subject to correction -- but I think he rejected this and came up with something else but this is something we are coming into.

MR. CAMP: Who was the publisher of your book?

MRS. HARRINGTON: Someone in the States, I have forgotten who it was.

MR. CAMP: It was an American publisher?

MRS. HARRINGTON: Oh, yes.

MR. CAMP: I just have a couple of questions. You enumerate a number of complaints about the publishing industry and particularly the Canadian publishing industry. One of the things that occurs to me, though, is as a writer and as people who are speaking for people who write, isn't it true that we have had a substantial increase in Canadian titles, Canadian sales and payment of Canadian royalties and we are beginning -- certainly in the last 10 or 15 years with the acquisition of Canadian literature as compared to previous years. I would think that as authors the more publishers, the merrier whether or not they are Canadian

publishers or indigenous publishers or American-based publishers?

MRS. HARRINGTON: Mr. Camp, you really ruin my nationalism. I am not anti-British or anti-American but I am exceedingly pro-Canadian and I would rather publish with a Canadian publisher at any time but Canadian publishers don't want my stuff and American publishers have come after me and said, "Please do a book on Greece, please do a book on China". I would like to publish here.

MR. CAMP: But you can't publish here whether or not the Canadian publisher invites you to do so or not?

MRS. HARRINGTON: I can publish if I write only Canadian material.

MR. CAMP: I see your point. For example, I think the evidence is pretty clear that with regard to No. 29 on page 8 the spin-offs which accrue to a writer, we have had information given us here that it is the American publishers who can best satisfy an author in this regard because that is where the bulk of the market is?

MRS. HARRINGTON: Yes.

MR. CAMP: Furthermore, there is some advantage to a writer and publisher by going to an international firm as compared to a purely indigenous Canadian firm?

MRS. HARRINGTON: I agree with you

on this, Mr. Camp. There is an awful lot more money in publishing in the States and I like money as well as the next person but I am also rather ardently Canadian. I would like to be prouder of Canada than I am.

MR. CAMP: Well, which do we want -- do we want Canadian writers or people writing about Canada?

MRS. HARRINGTON: I want the Canadian publishing industry to grow to the point where they will give me all those extra things that I will get by publishing in the States.

MR. CAMP: Just two further things. With regard to royalties, I am not sure -- in other words, you are questioning the traditional author-publisher agreement which allows the publisher other than an advance against royalties to a fair -- I am on recommendation No. 30 on page 8. You make a point about:

" Sometimes publishers pay royalties only annually despite author's arguments."

MRS. HARRINGTON: We would like payments twice a year. For example, Ryerson's pay only annually and I always resented them holding that money, that extra six months making the interest on it that I am not getting.

DR. JEANNERET: But that depends on your contract, doesn't it?

MR. CAMP: This is negotiable,

isn't it?

MRS. HARRINGTON: No, it wasn't with Ryerson.

DR. JEANNERET: Well, really, anything is negotiable but one side is stronger than the other always.

MR. CAMP: Finally, on page 11, you say in regard to your recommendations to publishing in general:

" the government grant low-interest long-term loans to Canadian publishers without unrealistic restrictions."

I wonder what you consider a Canadian publisher to be? For example, is Macmillan a Canadian publisher by this definition?

MRS. HARRINGTON: I am afraid that I feel that they are because they have taken out their citizenship and a great many Canadian books --

MR. CAMP: Would McGraw-Hill be?

MRS. HARRINGTON: I think it would be, yes.

MR. CAMP: So, it would be any publisher domesticated, resident in Canada and publishing in Canada?

MRS. HARRINGTON: With a record of having -- I mean this is my feeling about it but I would also want that hedged with quite a few regulations.

MR. CAMP: This is of some

significance to us as to what an organization such as yours would consider a Canadian publisher to be, And then you go on to say:

" ... low-interest long-term loans to Canadian publishers without unrealistic restrictions."

MRS. HARRINGTON: Actually I think that should be to any publisher in Canada. If we are going to grant money at low-interest long-term to make blue jeans why not books?

MR. CAMP: The final few words is where I wanted to get your final thought: "without unrealistic restrictions". Do you have an example of an unrealistic restriction or is this in reference to any specific matter?

MRS. HARRINGTON: Mr. Camp, that is hearsay. According to a number of publishers who have applied to the government for loans they were willing to give the loans but they hedged them with so many restrictions that they just felt they couldn't accept them.

That is strictly second-hand.

MR. CAMP: How many members do you have in your Association?

MISS WILSON: 650 to 700.

MR. CAMP: How does one qualify for membership, by saying he or she is an author, or by your recognizing it?

MISS WILSON: We have an application form on which the applicant is requested to list the works published and by whom. To become a full member you must have had at least 25,000 words published by a reputable publisher and, of course, not at your own expense.

MR. CAMP: Would that include perodicals and journals?

MISS WILSON: It could do, provided it was substantial. That includes poetry, of course, too, and the 25,000 words does not apply to that. They are carefully screened. We do have some associate members who are -- we encourage them all to become full members.

MR. CAMP: That answers my question, thank you.

THE CHAIRMAN: Dr. Jeanneret, I think, if you could define what a reputable publisher is, I think we might conclude these hearings.

MRS. HARRINGTON: May I read

you a couple of little, short letters about publishers?

THE CHAIRMAN: We rarely get an antenna up in these hearings, but it may well be best that, if you are going to say something -- I am being very cautious at this juncture -- I wouldn't want you to put yourself on the record as being in any way -- leaving yourself open, the question of privilege is a doubtful one for this Commission. Do you understand what I am trying to say?

MRS. HARRINGTON: I think you are trying to say "Don't mention any names".

THE CHAIRMAN: If that is the message you got, that is a very good one. You could leave the material with us.

MRS. HARRINGTON: Really, this is just a paragraph and I feel it is important to indicate and back up the statement that publishers quite often do the author in the eye. This is joint correspondence that I received and I would just read one paragraph:

> "I, too, never had a written contract with this publisher. I, too, had the devil's own job getting answers. I, too, never received an auditor's report on the number of copies sold. I, too, was the victim of the lousiest proofreading

job ever recorded. On top of all that, he has been holding another of my manuscripts for five years."

This happens, and this man way out West, has no recourse. What is he going to do when the publisher won't even answer his letters?

MR. CAMP: Turn to an organization such as yours. Isthat a Canadian publisher?

MRS.HARRINGTON: Yes, a Toronto publisher:

"Unfortunately (blank) acted the worst of any publishing firm I have ever had dealings with. When the book appeared at Eaton's here, they asked me to go to their store and autograph copies for two hours. I went and they got 200 copies. In the two hours 197 were sold and they ordered some more for the Christmas trade and got them in the middle of January. I wrote to the firm and asked them why they had treated the customer in such a manner and they said all the plant closed down for ten days before Christmas right when an urgent express order was being phoned in. Then came the summer and the tourists

bought out the stores here. They wired and then phoned but still no books had been struck off and none were until the season had ended."

This is the sort of thing that happens. This is no beginner in love with his own words. This is an established author of very considerable prestige. It keeps on happening.

THE CHAIRMAN: We would appreciate it if you could, in confidence, or whatever, give us those letters. We would like to see them as background.

MRS. HARRINGTON: All right.

THE CHAIRMAN: Ladies, we appreciate your coming. It has been very useful and your enunciation of the problems has been most helpful. The solutions, of course, are another matter. I think your recognition of the problem is very clear and this is what we will consider, hopefully, over a period of time.

MRS. HARRINGTON: Thank you.

MISS WILSON: Thank you.

---Adjournment

ONTARIO

ROYAL COMMISSION ON BOOK PUBLISHING

Mr. Richard Rohmer, Q.C.	Chairman
Dr. Marsh Jeanneret	Commissioner
Mr. Dalton Camp	Commissioner

---

252 Bloor Street West, Toronto,
Ontario, June 1, 1971

This transcript has not been edited, corrected or revised by the Commissioners, but may subsequently be edited, corrected or revised.

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Toronto, Ontario,
June 1, 1971.

--- The Hearing commenced at 10.00 a.m.

THE CHAIRMAN: Ladies and gentlemen, we have with us this morning McGraw-Hill Company of Canada Limited. We have with us Mr. Charles Sweeny, Chairman of the Board, Mr. William L. Darnell, Senior Vice-President and Miss Barbara Byam, Vice-President. Our usual practice might be followed and that is that you might touch on the high points of your brief and then we will discuss it with you.

SUBMISSION OF McGRAW-HILL COMPANY OF CANADA LIMITED

MR. SWEFNY: Mr. Chairman and gentlemen, it is a pleasure for us to be here today to discuss our brief verbally with you. Mr. MacMillan, President of our company, cannot attend because of an unfortunate accident a few days ago and is still not able to get around too well.

My colleagues with me, Miss Byam and Mr. Darnell, are both directors and executives of our company in the editorial end. Both have worked together with Mr. MacMillan very closely on our brief. For this reason with your permission I would like to ask Mr. Darnell to make the opening remarks on our brief.

MR. DARNFLL: In our submission we have attempted to describe briefly our own operation

within the Canadian publishing industry. We are proud of our record of growth and accomplishment and of the contributions to knowledge and the improvement of learning that we have made. Implicit in our observations is the importance that we attach to the publisher responsibility to sell works that have been created by his authors. The Canadian Book Publishers' Council's brief described the publisher as the mediator between author and reader. We feel that our success can be attributed to the equal importance that we attach to all parts of this process. We have described our acquisition of the book publishing division of the Ryerson Press and our reasons for making it. This purchase brings our list of Canadian titles in print to nearly 1,000. Over 400 of them having been published by us before the acquisition of the Ryerson Press.

We have mentioned that some 30 employees of the former Ryerson Press are now with us helping to carry on the traditions of that fine house. The name Ryerson which we value highly has been preserved in the renaming of our school and trade division and where the impact of the acquisition was greatest. We are making every effort to obtain new books from the authors who were previously published by Ryerson. We have already succeeded in contracting for two new works of fiction which will be published this Fall, Real Life by Alice Munro, and Violation of Virgins by

Hugh Garner.

We are concerned and disturbed that nationalism which we understand and share in some corners has become chauvinism. Too often good corporate citizenship and substantial contributions to knowledge and culture are being ignored because of ownership. We welcome the opportunity that is being provided by these hearings to set the record straight.

THE CHAIRMAN: Mr. Darnell, I wonder if chauvinism and nationalism is something which is present also in the United States as well as Canada and if you might comment on that.

MR. DARNELL: It certainly is.

THE CHAIRMAN: It is one of the problems that we might share in this country that we are in the presence of nationalism of a high score in the United States. Is this something that we are reacting to, do you think? I just pose the question as you mention it.

MR. DARNELL: I don't know.

THE CHAIRMAN: Therefore, I wonder if it is fair in the context in which you put it to be really critical of nationalism in Canada.

MR. DARNELL: Not nationalism but where it degenerates into chauvinism.

THE CHAIRMAN: Please go on.

MR. DARNELL: You will have noted in our brief that we suggest that good corporate citizenship provides the opportunity for the Canadian

public to share in the ownership of a company and that we have been planning for some time to make this possible. We are pleased to report that our plans are well advanced. In our brief also we have examined superficially the Canadian publishing industry, have mentioned some of the difficulties that confront it and have suggested a few remedies for overcoming some of the difficulties. Generally, we are optimistic about the future of publishing in Canada. Today there are more opportunities for profitable publishing than ever before. There are more authors capable of writing publishable books and there are better distribution facilities for getting the books into the hands of the readers. Certainly there are difficulties but in our present economic climate what industry does not face some difficulties? Certainly there are some publishing firms that are in trouble but after any period of easy expansion there are always firms which because they are undercapitalized or badly managed or both get into trouble.

We believe that the publishing industry is healthy enough to overcome current difficulties and tomove into a new period of sustained and vigorous growth. We agree that where possible the firms that have demonstrated that they possess publishing ability and who require financial aid to embark on a new course should be helped.

To sum up we enjoy publishing, we are successful at it and we think it has a great future. Now, we will welcome your questions.

THE CHAIRMAN: Thank you very much.

DR. JEANNERET: Mr. Darnell, in view of your summary I am not sure but the opinion that I find in your brief which I thought was an excellent and informative brief, I should say, but at certain points it is consistent with what you have said about the future prospects for, say, the indigenous Canadian publisher. I read into page 8, the first sentence of your brief and generally further down on that page that it is your view that the adapted foreign book is likely to be a better book than the indigenous Canadian book and then I note that on page 9 you make a virtue of publishing original Canadian works in French for Quebec presumably. I wonder if they would not suffer from the same disabilities in relation to adaptations of books from France, say, that indigenous English Canadian books suffer according to you in relation to adapted editions of foreign books. Your French original books developed for Quebec must be just as bad in relation to French imports as Canadian indigenous books are in relation to, say, McGraw-Hill imports, would that follow?

MR. DARNELL: Well, I think first of all you are misconstruing something here. I don't think we try to say that the adaptation

was superior. We said that in certain areas that it was useful to take advantage of all the research and the development that had been done and that it was possible then to provide a book that was not possible to the purely Canadian investor.

DR. JEANNERET: The message comes out very forcibly here. You say you have made available to Canadian schools as a result of research tested at a scale far beyond the capabilities of any Canadianization of the subject matter in this case. But I think we could agree that at least there are areas where the indigenous book was the only possible answer.

" By publishing Canadian editions of publications of our parent company, we have made available to Canadian schools the results of educational research and testing on a scale far beyond the capabilities of any Canadian agency combined with 'Canadianization' of content to the extent required by the subject matter in each case."

I have a question here, it may be a difficult one to answer, it is philosophic, that is why you are here, to answer it. Is it your view that it would be of no educational or cultural consequence to Canada if the last remaining book publisher of significant size passed into foreign control? Is it your view, in other words, that there should be a residuum of Canadian-owned publishers of

significant size? Do you have a view on that?

MR. SWEENY: Well, yes, I think it would be most beneficial for Canada to have a group of Canadian publishers. We think that foreign-owned publishers such as ourselves perform a function. I think that we are going through a period of transition here and that in time we will see a lot of indigenous publishers with the still personnel and the publishing industry here will grow and there will be a greater number of Canadian publishers.

DR. JEANNERET: In other words, you hope that there will be some sort of balance maintained. Would you look at page 16 of your brief, if you will, of the main part of your brief. It is a very extensive brief indeed. You make the point here -- and I am asking this question in order to get the information on the record because it is tremendously important, I am sure you will agree -- you make the point:

> " Many of the textbooks manufactured in Canada do not meet the physical standards required for textbook adoption in U.S. markets."

That is the top few lines of page 16 and I believe you are absolutely right, but would you comment on that a little bit? I think this is extremely important. So that the idea is not accepted that we are not capable of meeting standards.

MR. DARNELL; This was not intended

as any reflection on the printing industry. They are perfectly capable but we have deliberately chosen manufacturing standards that are below those required in the United States for purely economic reasons to produce a book that is priced at a level lower than usual. There was no reflection at all on the capability of the printing industry to perform as well or out-perform the printing industry in the United States.

DR. JEANNERET: Interestingly away back the Minister of Education in copyright days, the physical technical specifications were set down objectively. I don't mean that they produced better looking books, not for a moment, but these were checked carefully and a publisher given an authorization contracted to meet these specifications including such things as warp strength and woof strength of the cloth and so on. This is all gone by the board. This is your point -- whereas in the States these specifications, seminal tests and so on are vitally important. I simply wanted to have on record it is a good point that you have brought out.

On page 17 at the top you say:

" When public money is expended for the purchase of books and related maerials, the purchaser should be required to buy from Canadian sources provided that their prices and service do not differ --"

Providing certain things.

" -- from Canadian sources --"

Would you define it so we will know we are talking about the same thing? It is an ambiguity that has frequently come up.

MR. DARNELL: From the Canadian agent who owns the right to distribute that book in Canada.

DR. JEANNERET: An exclusive Canadian agent, or through a Canadian agent who buys from him, I suppose?

MR. DARNELL: Yes.

DR. JEANNERET: On page 22 you make some observations in the lower part of the page on the contribution to date of the Ontario Institute for Studies in Education, so far as the development of new textbook materials and presumably, curricular innovation and experimentation are concerned. I think it would be helpful if you would enlarge on this a little bit, without inhibition, just for the record. Obviously the Institute is an area to which anybody would tend to look as a source of research and leadership in the field of developing new materials. However, they are to be shared with the publishers, that is another matter. Would you comment on that?

MR. DARNELL: I think, as we have mentioned in the brief, there has been a very crying need for some type of research in publishing in textbook development and when OISE was established, I think we had all very high hopes that this could be the source of help that we had always sought. I feel that for most publishers it has been a disappointment

up to date. They have not done the research, the development that we had hoped they might. Now, we do not imply here they have been uncooperative. We have had cooperation, but the extent of the development and the type of cooperation has been disappointing. Now, we put this in our brief in the hope that this might stimulate a little more cooperation on the part of OISE or a look on the part of OISE at the book publishing industry to see ---

THE CHAIRMAN: Have you raised this point directly with the Ontario Institute for Studies in Education and spoken of it with them?

MR. DARNELL: We have frequent contact with them and, as I say, there have been areas of cooperation.

THE CHAIRMAN: The particular point you raised, have you suggested to them that this is an area they might be usefully operating and if you have suggested it to them, what has the reaction been?

MR. DARNELL: We did not formally suggest it to them. We have talked to individuals within the Institute.

THE CHAIRMAN: Do you know whether the Canadian book publishers organization, of which you are a member, has raised this to the Ontario Institute formally or informally?

MR. DARNELL: I know that they

have had meetings together and are exploring areas.

THE CHAIRMAN: Do you consider, as a publisher, that this is one of the prime functions that the Institute should be involved in, in your own opinion?

MR. DARNELL: I think it is one of the prime purposes. I would certainly rank it in the first half dozen.

DR. JEANNERET: I think a great deal of discussion has been more in the area of how to share new copyrights that might evolve and secure publishing rights and award projects to a publisher. I think the Chairman's question, or at least my question, has to do with your stated unhappiness -- we have heard this before -- with, I think, the relevance of the programs of research at the Institute to curricular and textbook development. Is this correct? Don't let me put the words in your mouth.

MR. DARNELL: I think we would like to feel we could get down to a more practical level.

DR. JEANNERET: Program cooperation.

MR. DARNELL: If we go to them with a program in mathematics and say "This is what we are developing and would like to develop and these are what our authors are doing. Is there some way you can help us to

evaluate these in classroom situations or from a pedagogical point of view?".

DR. JEANNERET: You are saying the research needs a little more direction along the lines to which you are concerned?

MR. DARNELL: Yes, that is right.

DR. JEANNERET: This is always difficult as a question. Would you please go to page 25? You recomment here on page 25, after making a very important observation that in the last year you sent out 118,000 books free of charge to educators and reviewers. I presume that means college books?

MR. DARNELL: Yes.

DR. JEANNERET: My question does not have to do with college books, it has to do with books in the area of Circular 14 -- I say in the area, but not necessarily included on Circular 14. My question is this: If your recommendation that single copies of books listed on Circular 14 should be supplied to each school where they are useful and applicable, would you be in favour of regulations or legislation which conceivably might prohibit the distribution or possibly the acceptance of desk copies by those institutions altogether?

MR. DARNELL: That is a difficult question. I don't think so. As we mentioned, we think of the complimentary copy as a very effective selling tool. This is

our main form of promotion. Conceivably there could be areas where we would still want to judiciously and selectively provide complimentary copies.

DR. JEANNERET: I think it might be -- I think this is a fairly important question and that you might be wise to talk it over -- you might wish to talk it over with your colleagues and give us a memorandum on the question after you have talked about it, if you will, because the two ideas are interrelated at least.

MR. CAMP: In the practice of these desk copies, giving away the desk copies of certain of your books is a royalty payment basis the same as it is in regard to the trade book field for review copies and so on?

MR. DARNELL: No royalties are paid on them..

MR. CAMP: No royalties on desk copies?

MR. DARNELL: No.

DR. JEANNERET: You are supposed to sell books. On page 29 you make a recommendation which I think is a bit of a novel recommendation. It is a very shrewd observation and whether or not it is workable is another question. You say:

> "It is our feeling that publishers and their customers would be healthier and happier

if elementary and secondary textbooks were quoted at net prices."

And you make it very clear why list prices are used nominally for quotation purposes, but never employed for invoice purposes. I suppose they are employed for postpaid copies, or something, but they are generally not employed. I would ask you if such a recommendation regarding the substitution of net prices for list prices were every implemented, how would the authors generally be affected insofar as their royalty earnings are concerned, because royalty earnings, very commonly -- I don't know about your company -- are based on list price. What would happen?

MR. DARNELL: As a matter of fact our royalties are almost exclusively based on net prices anyway in our company. I appreciate there is a problem because I know a number of the authors' contracts we took over were based on list prices. I think there would have to be some adjustment made at that time. As I say, it is a straight 20 per cent adjustment that could be made.

DR. JEANNERET: Pressures might be in the direction of author subsidization, not through any maliciousness, but it might be the thrust of it?

MR. DARNELL: As I say, it is not a problem that occurred to us because the fact that our textbooks are all on a net royalty

basis anyway.

DR. JEANNERET: I have just got one other question, although I am interested in a great many topics in your brief. As I say, could you make -- you make a suggestion at the top of page 32 which I will read:

"As for returns . . ."

-- you are talking about textbook returns and public store returns and things --

"As for returns which are made simply to reduce bookstore inventory levels temporarily-- a 'paper return,' rather than the actual shipment and reshipment of books would seem a sensible solution. So far, however, our firm has had little success in persuading college bookstores to adopt this solution to their short-term overstock problems."

May I point out this is an extraordinarily dangerous practice to follow and college bookstore managements that are responsible for maintaining their inventory investments at workable levels, would not be capable and probably would be unwilling. They would not be capable of distinguishing between a temporary return and a deal in which they would make a return whith a commitment to reorder. I point out that any kind of return that involves a commitment to repurchase is not only dangerous,

but it starts to border on fraudulent business practice. I have looked into this since I read your brief and I find that your salesmen have advocated this and I think that it is reprehensible in the sense that it places the management of the book store in the position of giving false inventory figures at the end of the year for accounting purposes. Granted your point is that if he is going to order them again the next year, he might as well keep them around. This I understand perfectly, but it is almost impossible to distinguish between that situation and a deal -- "Take them off my books at least for the end of this fiscal year". That has happened in the past and it has led to dismissal of college bookstore management. I mentioned that so that you know it is a very dangerous area and a very dangerous gimmick to introduce, although I understand your motives are perfectly sound. Say that truck it uptown and trucking it down again three months later. If you want to comment, please don't feel afraid to do so.

MR. DARNELL: Miss Byam did a study on returns a while ago.

MISS BYAM: Dr. Jeanneret, your point is a new one to us, of course. We were thinking purely in practical terms. Books do suffer a fair amount of damage if they are shipped more than once and the physical work of

opening up cartons of books, counting them, sorting them and putting them back into stock and then bringing them out again later was, of course, uppermost in our minds.

DR. JEANNERET: I know it was.

MISS BYAM: I had no idea that there was anything the slightest bit reprehensible about the paper return.

DR. JEANNERET: You understand it can be a paper return for a good many books that are not needed the next year, but the deal is made with the salesman "Take them off my books anyway this year. My inventory is too high".

MISS BYAM: I quite understand. As you know, returns from college bookstores have been rising. They now run at about 20 per cent of net sales for us and they are a mammoth problem.

DR. JEANNERET: It is just that you could lose audit control, and that is why it is so dangerous. I think it needs some very careful rethinking.

THE CHAIRMAN: At the outset of my line of questioning, I wish to join with Dr. Jeanneret in saying that you have prepared and submitted to us an excellent brief. We appreciate your accepting our invitation to come and talk to us. Because of the status and stature of your company there are certain questions which we must put to you because of our terms of reference.

I would like to direct you to page 34 of your brief which relates to "A STATEMENT OF OUR POSITION". You say:

> "We at McGraw-Hill feel strongly that we contribute as much as any other Canadians in the book business . . ."

I take it when you say "we" you are talking in your personal terms as Canadians in making this contribution and not in the corporate sense? I take it that this is so here?

MR. SWEENY: No, I think we would be talking in the corporate sense too.

THE CHAIRMAN: Would you expand on that, please? I am only asking the question: Do you feel your firm, even though I take it is totally owned from the United States is a Canadian firm in the full sense?

MR. SWEENY: No, not in the full sense. I am talking of its contribution here to education, to the Canadian readers of books. In this sense we feel that we have contributed a tremendous amount, not just in distributing American books but even more important to Canada publishing Canadian books. At the present time this year we expect close to 45 per cent of our total business will be in books produced in Canada and we have got a big percentage of our company, our personnel, on editorial work.

THE CHAIRMAN: I think you said, or it was said, that you have two fiction volumes in production this year, is that correct?

MR. DARNELL: No, I said that we had contracted for new ones from Ryerson authors. There are more in production but these were two that Ryerson authors have contracted since we acquired the Ryerson Press.

THE CHAIRMAN: How many fiction titles did you produce, Canadian , last year, do you recall?

MISS BYAM: We produced no fiction,

Mr. Chairman. Ryerson Press produced one volume of fiction by Hugh Garner. This year, however, we have three novels in the works. We have already published a book for young people in fiction.

THE CHAIRMAN: Do you consider it to be a responsibility of responsible publishers in Canada to produce fiction and poetry?

MISS BYAM: Yes, we do. We published or rather let us say Ryerson Press published, two volumes of poetry in December just after we purchased them.

THE CHAIRMAN: On page 34 you said that the purchase of the book publishing division of the Ryerson Press was not a "foreign takeover" but rather an investment of Canadian funds in a publishing company whose owners no longer wished to own it. Would you be kind enough to tell us please whether the funds which were used to acquire Ryerson were funds which were generated in Canada or whether they were funds which were generated in the United States or whether it was a line of credit which you used or how you acquired the funds to make the acquisition?

MR. SWEENY: Yes, Mr. Chairman, the funds were generated by borrowing through Canadian banks.

THE CHAIRMAN: Did McGraw-Hill of Canada do the borrowing or was it assisted in

borrowing by the parent corporation?

MR. DARNELL: No, McGraw-Hill Canada did the borrowing but the loan was guaranteed by the American company.

THE CHAIRMAN: It was guaranteed by the American company?

MR. DARNELL: Yes.

THE CHAIRMAN: I note -- so this was really an investment of Canadian funds but which was made possible through the presence of the American parent, I take it that really is the answer?

MR. SWEENY: Yes, except I think we probably could have borrowed it without the guarantee.

THE CHAIRMAN: I see. You might have been able to do so?

MR. SWEENY: I think we would have been able to on our record.

THE CHAIRMAN: But you didn't attempt to do or did the bank ask you for the guarantee in any event?

MR. DARNELL: It seemed to be just one of those normal parts of business.

THE CHAIRMAN: Any normal Canadian bank would ask you for your eye teeth, wouldn't they?

MR. DARNELL: Yes.

DR. JEANNERET: I was wondering if on this basis of financing there was an advantage to

McGraw-Hill in the United States insofar as the cost of the loan was concerned or if you lost that by borrowing in Canada? That question may not be capable of an easy answer but this has been cited frequently as a reason why the foreign firm has an advantage in purchasing, that it can charge the cost of the money borrowed to purchase as a business cost. Have you any observation on that?

MR. DARNELL: I don't know.

DR. JEANNERET: I don't want to force it right now.

MR. SWEENY: I don't know.

THE CHAIRMAN: May I move then to page 35? You have indicated that your company, that is to say the parent company, McGraw-Hill Incorporated, is planning to make a public offering of part of your stock, that is, the Canadian stock. I have a news report of the 24th of May, 1971 which I would be obliged if you would look at and comment on which relates to a report that the Royal Bank of Canada in Trinidad said as of that date it will shortly establish a local incorporated bank in Trinidad and Tobago which will take over its banking operations and offer 51 per cent of the new company's shares to local citizens over 5 years. I don't know that the relevance of this will escape you but I am somewhat astonished by the fact that one of our major banks in Canada is willing to divest itself of 51 per cent of its holdings in a foreign country because the foreign

country obviously deems it to be in the interests of that foreign country. Is your parent firm going to be in the position of offering to the public in Canada 51 per cent of the common stock of the Canadian company or do you think it will be less? If it is less, why will itbe less?

MR. SWEENY: Well, it will certainly be less, this offering -- somewhere between 25 and 50 per cent. We are not certain of the exact amount now. Even the act of going public, as you probably know very well, cannot be certain because it just depends on the market conditions too but our plans are going ahead and we hope to do it this Fall. We do not contemplate 51 per cent because we think that the first step is sufficient at this stage.

THE CHAIRMAN: What do you mean it is sufficient?

MR. SWEENY: We don't see why we should have to give more than what we are giving at this stage of the game.

THE CHAIRMAN: Why should you give any at all?

MR. SWEENY: Because the object of our company since my colleagues and I have been in it is to make the company more Canadian and we want to do this in steps and we see this as the first step.

THE CHAIRMAN: If you are going to make it -- I just want to inquire as to the line

of thinking that is going on. I commend it, I think the more of this that can be done the better but I do wonder -- first of all, this is a decision which obviously must be made in the United States, is that correct?

MR. SWEENY: Not really, no, I don't think so. I think that the generation of this idea came from Canada and they have accepted it over the period of years which we have been talking about.

THE CHAIRMAN: Have you suggested therefore, if the generation of the idea has come from Canada, in any event if the generation of Canada, because the ownership is in the United States will have to be made there as to whether or not any part will be made available to the Canadian public? This is true, is it not? It has to be.

MR. SWEENY: I don't follow that, sir.

THE CHAIRMAN: If the ownership of the shares of McGraw-Hill Canada was in the hands of those in the United States obviously the decision because of its ownership of divesting will have to be made in the United States.

MR. SWEENY: That is right, they own the shares.

THE CHAIRMAN: I am interested, therefore, in why it is that you recommend, if it is going to be Canadian, -- and this is the reason

you are making this recommendation to the parent company -- why you think it has to be in steps. Is there some incapability on the part of Canadians, some hesitancy?

MR. SWEENY: Yes, I think so. I think historically when a number of offerings have been made to the Canadian public in other industries in any case the quantity has affected the price at a certain stage and that there have been a lot of failures in this stage where the shares have not been picked up by the public. I think that to contain this to a certain extent might help the price of the shares.

THE CHAIRMAN: You think eventually you would be prepared to recommend to your parent company in the United States that 51 per cent might be made available to Canadians?

MR. SWEENY: I think if it were left up to the three of us sitting at this table, yes.

THE CHAIRMAN: And do you consider that if 51 per cent were required either by a decision of your Board or otherwise, that 51 per cent be Canadian, that this would have a material or substantial effect on the ability of your company to publish?

MR. SWEENY: No, I don't think so. I think the way we are operating now we are given pretty well a free hand to publish as much as we want.

THE CHAIRMAN: So, that if you made the decision or a decision was made that 51 per cent of your firm were Canadian-held it would not affect materially your ability to publish or would not affect the ability of your company to do business, is that about right?

MR. SWEENY: I don't think so. My colleagues may have something to say on this.

MR. DARNELL: I don't feel it would have any effect. Right now I know of projects which we can't publish because we can't afford to and some projects that we can't publish because someone doesn't want us to publish them. We have complete autonomy in our publishing decisions now.

THE CHAIRMAN: I make a comment, therefore, not a question. I have not discussed it with my colleagues but I would encourage you to make the whole step in recommending to your parent corporation on the basis of what you say because if you are going to make this kind of recommendation in the presence of the remarks you have made it would be, I should think, a remarkable step forward to make this kind of offering and I should think it might be much more marketable in Canada.

MR. CAMP: Just to follow on and for the sake of some information, McGraw-Hill Incorporated has three operating groups as you say. Would you elaborate a little on information

systems and financial services, that is to say what is that or what are they?

MR. SWEENY: That is a good question. I hope we can answer it reasonably.

MR. DARNELL: What page is that on?

MR. CAMP: The first page. I always speak at the beginning. I was really interested in the diversity of the parent company and wanted some overview as to what its functions were.

MR. SWEENY: Well, perhaps I could give you an overview of it. One section of the company publishes trade magazines -- Business Week, Engineering, News Record and things like this. Another is Standard & Poore which publishes market information. Another which is Information Services publishes up-to-date information on the construction business and computerization to inform contractors in any part of the country as to what is available at which price and this sort of thing.

MR. CAMP: The publishing is in the magazine and periodical field?

MR. SWEENY: Yes. And then finally it describes what is more or less described as the book business which is book companies, international division and what our two other divisions that are in the book area, all in the same group.

MR. CAMP: That is Information Service

which I understand publication of business services which I do and financial services which I don't?

MR. SWEENY: That is the organization of the parent company.

MR. CAMP: I wanted to ask you if you had any knowledge of the number of shareholders in McGraw-Hill Inc., that is, that trades on the New York Stock Exchange, how many individuals hold shares?

MR. SWEENY: I don't know offhand. I can find this out and send you the information if you wish.

MR. CAMP: I would like to have this information and the percentage of the company that is in fact owned by the company itself.

MR. SWEENY: Yes, we can get that information.

MR. CAMP: Do you know it to be a very active trade instock?

MR. SWEENY: I would say it is quite active.

MR. CAMP: I suppose that that might be so.

MR. SWEENY: Yes.

MR. CAMP: Going on to a statement you made about the time which would be chosen to put the stock on the market in Canada, which you say would be subject to market conditions, which I take to be conditions that would be most favourable to the shareholders?

MR. SWEENY: Yes. Conditions that would be favourable to marketing, as you would market anything. You want a favourable market to do it in.

MR. CAMP: That seems fair enough.

MR. SWEENY: We expect right now it should be reasonably good and we are going ahead with this conception.

MR. CAMP: I wanted to -- not to try and catch you up at all, but on reading, to clarify two different opinions or statements in your brief. You recommend that:

"The Department of Education might establish and possibly subsidize Learning Material Centres where publishers could display and

demonstrate their materials and which teachers in a given area could visit in an organized fashion."

Then, on page 36, you express yourself as being opposed to outright subsidies of publishers. I gather you are making some kind of distinction -- subsidies are necessary but not necessarily subsidies. In other words, that recommendation on page 21 recommends what amounts to a subsidy?

MR. DARNELL: Yes. I can see ---

MR. CAMP: I am not trying to catch you.

MR. DARNELL: I think the recommendation grew out of the complexity of difficulties that all publishers in the educational field are encountering in marketing because of this decentralization and the difficulty of getting at the people who are now making the decisions about purchasing, which, in many cases, is the classroom teacher. This recommendation was a suggestion whereby the problem could be alleviated by setting up some place where teachers could benefit from the opportunity to examine these materials and publishers could benefit by getting at the market. It is perfectly true it would cost money and if it costs money, it is indirectly a subsidy and we are contradicting ourselves.

MR. CAMP: Talking of an outright subsidy to your publisher, although you say in the paragraph which begins:

" . . . the problems that face all Canadian book publishers . . ."

At the same time you are aware that there are subsidies to Canadian book publishers presently, such as University Presses' subsidies of authors and loans to publishers of recent note. Are you expressing any opinion here that you don't think those are possible solutions, part of the solution to some of the problems?

MR. SWEENY: Well, we think that there are occasions when financial help would be a good idea for Canadian publishers who lack capital. I think, however, it is important that this help be granted only to worthy firms, firms that are well managed.

MR. CAMP: There is the rub.

MR. SWEENY: Yes. I think that -- I will leave it at that.

THE CHAIRMAN: Who is going to make the decision?

MR. SWEENY: I think if you are going to make a grant you have to have somebody to make it and therefore you have an organization to do this.

THE CHAIRMAN: Somebody has to make a judgment.

MR. SWEENY: Right. How far the powers of this board, I have no idea on that.

MR. CAMP: An interest-free loan would be a subsidy, or a low-interest loan, or a loan below the conventional lending rate or an interest-free loan would be a subsidy.

MR. SWEENY: It depends really, I think, on the power of the board. Ideally I think it would be best against projects. If they come up with a worthy project, then they would be subsidized on the basis of that. I think there is a lot of danger in a general interest-free loan because there could be a lot of problems entering the publishing industry if this happened. For example, a publisher who got an interest-free loan for a lot of money might start to raise his rates to authors and bring in unfair competition to the existing publishers. There would be a number of things that would confuse the industry and it might finally hurt it much more than it would help it.

DR. JEANNERET: May I ask a question on that? Mr. Sweeny, you mentioned basing it on projects. It seems to me that if loans were related to projects, you would suddenly be faced with a plethora of very expensive hare-brained projects from relatively irresponsible quarters in many cases and the value judments and the publishing judgments would suddenly have to begin to be made elsewhere than in

the publishing company and it would be in a much more difficult position of control and decision making that if we could leave that decision making in the publishing houses. Isn't that the danger?

MR. SWEENY: That is a danger and I don't know the answer to it. I think the dangers on the other side, though, are obvious and uncontrollable. I think we are between the devil and the deep blue sea here.

DR. JEANNERET: We would sooner have publishers publishing than the government publishing. I am not making a statement of policy here, but that is what you are saying?

MR. SWEENY: Yes.

MR. CAMP: This is an easy question which I ought to know the answer to, but don't.

On page 20 you use the model of the development of a high school textbook and you have the costs prior to manufacture and you have under "editorial" $6,400 and my question really is, what is the editorial cost?

MR. DARNELL: This is what was spent in the house developing the manuscript where a sponsor editor would work with the author and then, subsequent to that, copy editors who worked on the actual manuscript to whip it into shape.

MR. CAMP: It includes the authors in that advance, does it, against royalties?

MR. DARNELL: The author in this case could not get any advance royalties.

MR. CAMP: Is part of that $6,400 payment to the author?

MR. DARNELL: No. Our editors keep time sheets of the number of hours spent on projects and this was the time that was spent by editorial staff on working either in the development of the manuscript or subsequently in the polishing or refining of the manuscript.

MR. CAMP: Do I conclude from that the author prepares a book at his own expense prior to publishing or manufacture?

MR. DARNELL: He writes the book and submits it to us, but, as in most textbooks, this book right from the initiation of the project, editors were working with the author and he didn't come along and say "Here is a finished book". Right from the beginning we were working with him.

DR. JEANNERET: That editorial right, of course, is inclusive of all related overhead and not salary?

MR. DARNELL: That is right. We establish an hourly wage.

MR. CAMP: I just have one more question. In what way, if any, is your trade book publishing program related to your educational publishing program, which is to say, do you base your decisions to print so many titles in the trade

field on some kind of estimate or assessment as to the profit from your educational sales? No?

MR. DARNELL: Right from the beginning of our operation in publishing we have said every project must stand on its own feet. Each project is a profit centre in itself. When a project comes in, the editors who are sponsoring it, for example, we have a manuscript evaluation form and in there they have estimated how many copies it can sell in the life of the book, or in the case of a textbook over a five-year period, what it is going to cost and what kind of profit we can expect and something about the book. These are presented to our editorial committee and this is the way our decisions are made. Each project stands as a unit in itself.

MR. CAMP: You wouldn't, therefore, as some publishers claim, they publish a book of Canadian poetry knowing that it wasn't going to make a profit? It would have to stand on its own feet, so to speak?

MR. SWEENY: Are you asking us the question, if we would publish a book of poetry knowing it was going to make a loss?

MR. CAMP: I couldn't ask anybody else but you at the moment.

MR. SWEENY: We have published losers but there have always been some subsidiary gains in the thing. Maybe we thought that we

were making contact with some authors who would perhaps bring in books at a later date or perhaps publication of that particular book, while losing on its own, might have helped another book ahead. We will be publishing poetry, we will be publishing fiction. Every book that we take on in the future, though, will be done with the idea of it being a success. We will not consciously take a loser because unconsciously we can pick enough losers anyway. I think that really outlines our philosophy on this.

MR. CAMP: There is no conscious trading-off within the corporation as between ---

MR. DARNELL: The odd time we may do, in the case of a textbook you may do some supplementary item which you know is not going to make any money, but will help the sale of the book. This is resource material of some kind.

MR. SWEENY: Excuse me. I am just going to say to Mr. Camp, in a sense we do subsidize our trade end because we don't expect to make the same profit in our trade publishing as we do in our educational publishing. We plan to make less.

MR. CAMP: Yes. I think what I was -- the notion I was flirting with in this line of conversation was that, whether or not any publisher could successfully survive in the trade field unless he were also in the educational

field.

MR. SWEENY: I think he could if he had agencies, other trade agencies. I don't think he could do it purely on trade publishing unless he was satisfied to do it out of his guarantee and keep the overhead very, very low. That is about the only way he could do it.

MR. CAMP: There is some corroborative evidence to that statement.

THE CHAIRMAN: There were two titles you mentioned. I thought one was appropriately Canadian. What were the titles?

MISS BYAM: Real Life by Alice Munro and Violation of the Virgins by Hugh Garner.

THE CHAIRMAN: I will leave it to you to distinguish what I thought was appropriately Canadian. We appreciate very much your coming. It has been a very helpful brief and most informative. I hope the line of questioning did not disturb you in any way but was germane to the exercise we have to perform. We may be in touch with you at a later time and we suggest that we extend our sympathy to the gentleman who is not here today because of illness.

MR. DARNELL: Thank you.

MR. SWEENY: Thank you.

MISS BYAM: Thank you.

SUBMISSION OF MISS E.T. HARMAN

UNIVERSITY OF TORONTO PRESS

THE CHAIRMAN: If we can carry on, we have with us Miss Eleanor Harman, Associate Director, University of Toronto Press.

MISS HARMAN: Mr. Chairman and members of the Royal Commission, before dealing with my submission I wish to acknowledge the large measure of assistance I have received from colleagues in the University of Toronto Press who have contributed ideas and suggested amendments. However, as our scholarly authors are wont to say in the prefaces of their books, "While I have had much help, the faults are all my own". I wish also to note that the submission is presented not on behalf of the University of Toronto Press, but on behalf of scholarly publishing in Canada.

My connection with publishing began many years before I came to the University of Toronto and has left it long enough for me not only to experience the problems of scholarly publishing but to see some of the benefits it has conferred. Recently I have edited a journal entitled "Scholarly Publishing", which we began in October of 1969. It has an international board, publishers' contributions from anywhere in the scholarly English-speaking world, and has secured an international circulation.

The main ideas in my brief are as follows:

The need for scholarly publishing in Canada is increasing. On the one hand we have a vast burgeoning in universities and in graduate studies. The number of scholars engaged in research and in writing is growing larger and the scholars are seeking publication.

On the other hand, a great deal of research remains to be done in practically every field of studies relating to Canada. If this primary seminal research somehow is not done or is done and is not published, our secondary works for general reading, textbooks on journalism will not be published either.

The need for co-operation in publishing is attested by the increasing number of mergers but mergers are not the form of co-operation that leads in my view to real creativity in publishing. Many eyes make many ideas. Co-operation is necessary but it should be such that there be scope for individual creativity. Furthermore I think that an author should be able to submit his manuscript to different houses with different editors and different editorial committees. The fate of a scholarly manuscript should not depend entirely on the decision about its merits made in one or even two univesity presses or on the state of funds of those presses at the time of submission.

It is not necessary to have a complete publishing set-up with the corresponding overheads to carry on a small program in each of several universities. Many of the functions can well be combined without interfering with the primary editorial decisions and retaining the separate imprint of each scholarly institution sponsoring a work. The universities of Ontario press that I have proposed is a facility, not

an imprint.

At present it is not possible and probably will not be for many years to come to maintain a genuinely scholarly publishing program in Canada without subsidizing it. The aim should be to subsidize but to do so as effectively as possible making every dollar count. However, under regular formula financing it does not appear that universities in general will be able or willing to designate funds for this purpose and I therefore recommend that government support be given outside this financing. Any support thus given will not only assist scholarly publishing but all publishing since scholarly books and journals provide the base for a general serious publishing. Those are my remarks.

MR. CAMP: I venture into this very generally because there is nothing in the brief that is not clearly put forward and understandable. On page 4 you mention the $200,000 operating loss. Is that annually? This year? Would you explain what happens and where does the $200,000 come from to cover that loss?

MISS HARMAN: It is divided between journals and books, $75,000 of it goes to support the losses on scholarly journals. We publish 17 scholarly journals.

THE CHAIRMAN: I think the question is, where does the money come from that pays for it?

MISS HARMAN: Pardon me. It comes from the other operations of the press. There is a printing plant which produces a margin on its operations and the publishing department, the general publishing, general books, produces a margin on its operations. The university book stores have up-to-date produced a loss and I may say that the extent of this loss diminishes the amount of money which we are able to apply to the support of scholarly publishing. This $200,000, though, is not all of the money which is used to support the scholarly books and journals which are issued by the press. That is the net loss and we receive grants from Canada Council and other sources which also form part of this and would add considerably to that total amount.

MR. CAMP: Do I understand then from that that internally within the whole operation the $200,000 is covered, that is to say, the university for example doesn't make up the loss for somebody else?

MISS HARMAN: No, it doesn't contribute anything at all except that it is a customer of our printing plant.

MR. CAMP: For my information, do you know if the $500 readers' fee per book which I gather is paid to the reader if the book is published --

MISS HARMAN: Yes, that is an

average which I derived by taking our total payment of readers' fees over a year or so and dividing it by the number of scholarly publications.

MR. CAMP: Does that conform to the industry standard or is that higher or lower?

MISS HARMAN: I think it would be a pretty moderate rate because most of the readers who examine manuscripts for us are men who are specialists in their field and very often when we send a manuscript to read it is on a topic in which they are very much interested and embodies research. On the other hand, it is an arduous job for them. They are entitled to some slight reward for their time.

THE CHAIRMAN: Miss Harman, on page 12 you talk about the cost of the program proposed in the submission. You say:

" The cost of the program proposed in this submission can be divided into three parts:

(1) Cost of selecting the manuscripts to be published;

(2) Cost of copy-editing, designing, and manufacturing them; --"

In this program who would pick up those costs?

MISS HARMAN: Well, the costs of selecting the manuscripts to be published would really be borne by the university. In fact, to a large extent it would be contributed, I would think, by most universities. They would have an

academic committee judging manuscripts and in many cases I think they would regard it as rather a privilege to do this. There might be some small amounts for readers' fees there, for outside readers.

THE CHAIRMAN: Does the University of Toronto pick up those cases?

MISS HARMAN: Not in our case, no.

THE CHAIRMAN: But you think this would be acceptable?

MISS HARMAN: As a matter of fact, to a considerable extent they do that now. We have published books for other universities and certainly by the time the manuscript comes to us and they are prepared sometimes to assist us financially they have already considered it rather carefully and incurred some of these expenses.

THE CHAIRMAN: On page 13 you talk about the cost of organizing and setting up the project which you recommend. What do you think the cost would be to start up, if you will?

MISS HARMAN: I don't think it would really be very large at first.

THE CHAIRMAN: We are going to test what you mean by "very large".

MISS HARMAN: Well, I don't know, I think maybe a small loan of $50,000 or something like that. You see, I have correctly or incorrectly assumed that the University of Toronto Press might

play a part in this. It has warehouse facilities which are presently inadequate for its needs. An expansion of those facilities would not necessarily be very expensive. Perhaps I should not say $50,000, you have to have so many square feet to the warehouse and you work it out at that rate and I think also there would be some cost in organizing this plan. You might have to pay a consultant for a year or so but it is not an enormous amount.

THE CHAIRMAN: I wonder if you would be kind enough to give us a memorandum, if you will, on what you consider the costs of start-up might be?

MISS HARMAN: Yes.

THE CHAIRMAN: I think it might add weight to the brief and give more substance to it. Now, to what extent have there been discussions with other universities in Ontario with regard to this particular proposal? Have you had any?

MISS HARMAN: Yes, as a matter of fact I think I mentioned that I have submitted some portion of this brief to a commission on post-secondary education and they say that, one of the commissioners on that occasion did suggest to me informally that I should send that brief to the presidents of universities in Ontario and subsequently I did that. I received a number of encouraging replies from some of the smaller

universities, particularly those such as Carleton who have been involved in the publishing at various levels and I think there are about three of them replied and said they were definitely interested -- Carleton, Laurentian, Trent and one more and others replied saying they wanted to think it over further. I think I received one critical reply.

THE CHAIRMAN: That means critical in a negative sense?

MISS HARMAN: Yes, in a negative sense. Also the brief was seen by McGill-Queen's Press and they presented a negative view. They were not anxious, I think, to see a proliferation of university presses. My own view is that that is inevitable and I would like to see it done on economic lines.

MR. CAMP: As a matter of fact, if the government were to specifically subsidize scholarly publishing, let us say, to the break-even point then hypothetically you would have a $200,000 profit?

MISS HARMAN: No, we never do in scholarly publishing because there is always so much that we never attempt. If I follow the question correctly, what we do at our press is to budget each year for the maximum that we can possibly expend and then the rest of the manuscripts have to wait over until some time when we can consider them. Sometimes we reject them out of hand but your

program is not stopped but it is slowed down and impeded by the fact that you have not unlimited funds,

MR. CAMP: You now have a backlog of publishable works?

MISS HARMAN: You can call it a backlog or you can simply turn items down. You see, --

MR. CAMP: You said, pardon me, that the criterion was excellent. You have excellent manuscripts that you are not now able to publish because you don't have the resources?

MISS HARMAN: Understand that "excellence" is a term that comes in a time period. The Governor General's award this year might be much better than the Governor General's award in another year. So if you don't have the funds you have to weigh what you have on hand. Another time when we have more funds our criteria might be just a little more easy on the maximum.

MR. CAMP: There is another element in this that you might give me some enlightenment on. It is obvious that because of the growth in education as you say on page 11, there are more and more good manuscripts available and there is more and more of a need to publish them. I take it, however, that the market does not expand?

MISS HARMAN: As a matter of fact, the market is remarkably even. We have maintained records on the publication of all of our works

and sometimes our sales manager is quite amazed at how close he comes to estimating it because you know how many libraries there are, what percentage it will affect and so on. The trouble is that this figure holds but it doesn't get any higher.

Some years ago we expanded our market considerably by advancing into the United States and Europe. This helped us very considerably because we were able to enlarge our printing runs and reduce our costs but in the meantime costs have gone up in the last couple of years so we have no worlds to conquer right now, as a matter of fact the world market has gone down a little bit so we are in a bind again now -- that same problem.

MR. CAMP: Thank you.

THE CHAIRMAN: I think Dr. Jeanneret is going to pass.

DR. JEANNERET: Disqualified.

THE CHAIRMAN: Thank you very much indeed and if you would, we would appreciate your giving us the additional information.

MISS HARMAN: Yes.

THE CHAIRMAN: We will take a five-minute break.

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SUBMISSION OF THE CANADIAN COPYRIGHT INSTITUTE

THE CHAIRMAN: We have now with us representatives of the Canadian Copyright Institute. Mr. Michael Pitman, Chairman of the Board of Governors; Roy C. Sharp, Q.C., Executive Director; Mr. John C.W. Irwin, Vice-Chairman, and Mr. John Gray, Member of the Board of Governors.

Gentlemen, if you could touch on your very explicit brief, we would appreciate it, and then we would like to discuss it.

MR. IRWIN: We can't hear very well, Mr. Chairman.

THE CHAIRMAN: We can't hear very well either, so will you challenge us by speaking up?

MR. SHARP: Mr. Chairman and

members of the Commission, the Canadian Copyright Institute has been operating for some seven years. It was founded to conduct studies and research into ---

DR. JEANNERET: Louder.

MR. SHARP: . . . into copyright matters, both in national legislation and international legislation and to make known its findings and its views,make submissions to government and to other interested bodies and organizations.

I will not go through the membership list which is included in the brief. It is supported by the Canadian Book Publishers' Council and various other Canadian authors' associations, ACTRA and Conseil Superieur du Livre in Quebec and its affiliate organizations. I would like to say a word about why copyright law is important. Although it is a matter that falls within the legislative competence of the federal government, most of the English language publishing, the largestproportion of English-language publishing is carried on within Ontario and, since copyrights can be a very valuable asset of publishers and, indeed, in one sense of the word it might be said that copyright is what publishing is all about, we thought that we should make some submissions on it and the problems authors and publishers meet with in the field of copyright.

Now, we have dealt with only four or five main areas. This is not to say there are not other problems, but we have attempted to emphasize these. We have placed certain material in our appendix which is indirectly related and which the Commission may find helpful in understanding the problems. I would like to say at the very outset, Mr. Chairman, that these matters are technical and we would be glad to meet with you at any time to go into them in more detail, either privately or in public or in any way you see fit. We are at your disposal to go into these technical matters.

The first matter that we deal with -- I will skip the author-publisher relationship. I have outlined that briefly and how the author comes to make an arrangement with the publisher, either for part of his copyright or a licence to reproduce and in other ways. This is dependent on an agreement between the author and the publisher. In this sense a publisher can be considered as almost, in one light anyway, as the sponsor of the author.

The first -- one of the major problems facing publishing and publishers and authors is that raised by the new technology, particularly photocopying. There has been no survey of the extent of this in Ontario, or in Canada, but certainly those surveys that have

been made in other countries, the United States and the U.K., would indicate that if the penetration of the sale of Xerox and other copying machines has been the same in Canada as in the United States -- and we are advised it is substantially the same -- then it is obvious that it is being used for the same purposes. We have in the appendix "B" set out two memoranda, one from J.F. Kinlin, Assistant Deputy Minister of Ontario Department of Education, and the other from the Alberta Department of Education, Curriculum Bulletin, both indicating these departments consider that photocopying has been extensive and that it has been used improperly to reproduce copyrighted material in government-supported institutions and, in this case, the public schools.

Accordingly, we make certain recommendations. We suggest, and the publishers have already commenced to set up an organization to be known as OCAP, an Organization of Canadian Authors and Publishers, with a view to taking from publishers and authors some copyrights, some rights to copyright with a view to then in turn OCAP dealing with those institutions which wish to have the right to copy and give them this right in return for a royalty payment of, we suggestion 2 cents a page. This solution has been suggested because we believe that it would be retroactive as a step to try and say we should prohibit photocopying and the use of

the new technology, because this, we all know, is an exceedingly helpful instrument if used legally and if used to compensate the owners of the copyright. If compensation is not provided, of course, it means that many institutions are almost going into the publishing field and not having to finance or help the pre-publication costsand the costs of publishing in the first instance. I think it is easy to see that if it extends too far, publishing, many publishers will hesitate to publish certain works, particularly if the outlook for their sales is not large. This, we feel, would be perhaps disastrous in many instances.

The next subject we deal with is typographical format copyright. There is no law which prohibits a publisher from taking advantage of another publisher's work which is set up in the new format, new typeset, a work in the public domain, an old classic or any other work that is no longer in copyright, but which may have a demand for educational, scholarly purposes. So that, if a publisher makes a considerable investment in producing a pleasing and easily read new edition or typeset of a work in the public domain (and this I point out entails a considerable expense), an unscrupulous competitor can, by means of new technology, photo-offset or even by Xerox, reproduce a work and sell it at a much lower

price than the original publisher could afford to do. So that the original publisher hesitates to reproduce a work in the public domain in this way and we feel that he should have some protection. The Economic Council in their report recommended a period of protection, I believe, of ten years, but we are suggesting this is not a long enough period to assure a publisher in many cases being able to recoup his investment, particularly in the field of scholarly works.

Then the third matter which we touch on is the question of the public lending right. In western countries the free public libraries are an institution -- and this practice of free public lending libraries has contributed greatly to the spread of learning and scholarship and information. We feel it is desirable, but at the same time, with the increase in libraries, the increase inthe support of libraries by public funds, there has, and is likely to be, a fall-off in the support for private purchases. We feel that by following the practice of certain other countries, notably Sweden, Denmark, Norway and Germany -- you have reference to these and material in the appendices on their legislation. Unfortunately, some of it is in German or in Swedish and has not yet been translated, but I understand it will be available.

THE CHAIRMAN: We had it translated in the material you gave us, the Swedish.

Is that the material you gave us from Sweden translated?

MR. SHARP: Yes, I received that this morning. Thank you very much, sir. I believe the German has yet to be done. It is very much more extensive.

These countries have found that this is a desirable way of aiding their local publishing industries or their authors and we feel that this can be adopted to the Canadian scene where we have a small market and where it is desirable that help or aid of some sort should be given to publishers. It overcomes many of the undesirable features of a subsidy where somebody has to decide as between one work and another, whether they should be aided or helped. In this way this sort of thing can be criticized as a form of subsidy and a form of censorship in a way, but the lending right, the people who determine what shall be the amount of the aid are the public at large and the greater the demand for works in the libraries, then, the greater the aid to the publisher. We have recommendations in that regard.

Then we come to deal with the so-called importation or so-called import barriers under sections 27 and 28. These matters, these sections are very much misunderstood. In fact, section 28 is very poorly drafted and I defy anybody to say what exactly it does mean,

particularly when one notes subsection (4) and compare that with subsection (3) and the exemptions provided. I would like to just briefly refer to these matters under three headings: Firstly the problem we have is the situation where a foreign publisher wishes to sell a book in Canada and the customary practice or very common practice is to appoint a publisher an agent in Canada as an exclusive agent. This is a matter of contract and the foreign publisher and the Canadian agent reduce their agreement to a contractual form, but there is nothing to prohibit a third party buying from a bookseller, say, in the U.K., directly, because he is not a party to that contract. This practice is followed not only in the field of book publishing but in the field of selling other foreign products. It is quite a common practice and it is resorted to, I would submit, because the foreign publisher finds in this way he can sell more of his product. In this case, more books.

I would like to make one correction in the brief, Mr. Chairman. On the top of page 18 the wording may be misleading. After the word "such" in the first line -- "principals that such" strike out the word "an" and substitute "Canadian agency" and add an "s" to arrangement and take off the "s" of "sells" so that that sentence will then read, turning to page 17:

"It is the experience of such foreign publishers or principals that such Canadian agency arrangements sell more books and more economically than if they attempt to sell directly to the Canadian consumer or to the Canadian retail outlets."

The second area that must be distinguished in dealing with this sort of thing is the case where a Canadian work published in Canada may have a sufficient market abroad to warrant a foreign edition manufactured there and sold at a price lower than the price of the Canadian edition. Now, this is done in two ways. Either there is a royalty agreement with the foreign publisher who publishes an edition abroad and pays a royalty or a cheap edition may be manufactured in Canada and sold abroad. Now, why a cheap edition? Well, the costs of publishing can be divided into two kinds. First of all there are what may be referred to as pre-publication costs, the costs of research, the costs of typesetting and

so on, and in many cases this can amount to very large sums. In publishing it may range from thousands to hundreds of thousands of dollars, depending on the nature of the work. In the case of an encyclopedia it amounts to hundreds and hundreds of thousands.

Now, if a Canadian book is published the publisher probably looks to the Canadian market to return most of his pre-publication costs but if he can find a small market abroad that will pay something more than the reproduction costs of that edition it is going to be in his interests to make a deal on that because anything that contributes to his pre-publication costs is going to be to his advantage.

This is going to become of particular importance if Canada should become bound by the additional Act, the Stockholm Act, that takes the place of the Protocol. It is here contemplated that western countries will provide so-called cheap editions or licence cheap editions abroad. They will probably produce cheap editions in Canada for development countries and if a Canadian publisher is going to be faced with these cheap editions coming back into his market he is going to think twice before he searches out a foreign market. And this, we submit, is not in the interests of Canada or in the interests of Canadian publishing.

This is one area, therefore, that I think Sections 27 and 28 were designed to protect.

Whether they do or not is still rather doubtful because of the very poor wording.

Thirdly, there is the case of Canadian editions of foreign books or of foreign publishing where a foreign publisher wishes to -- in other words, it covers the case where a foreign copyright holder considers there is a sufficient market in Canada for a book to warrant a Canadian edition. Such cases are rather few but you will notice from the Section 28 -- this is covered by Section 28 -- that it does not apply to a book written by a British subject or a citizen of the country that has subscribed to the Berne Convention and the additional Protocol. Therefore, it only applies to American books in spite of what some organizations and persons have said in submissions to this Commission.

We are making recommendations that these sections should be, consideration should be given to redrafting these sections to try and have them carry out what their original intent would seem to be.

We then deal with the work of the Canadian Copyright Institute and the difficulties it has laboured under in trying to reflect or give governments some idea and some help with regard to legislation that may be in the interests of the Canadian public, Canadian publishers and authors because they are technical subjects and governments, unfortunately, are remote from the

day-to-day problems and indeed many publishers find it difficult to sort out the legal problems that arise. But as Canadian publishing is developing and attempting to find markets abroad, both domestic and foreign, international legislation becomes of importance. So, the publishing industry and Canadian authors and other organizations who wish to copyright founded the Institute and it has been financed precariously primarily by publishers with some aid, recently -- and how long this will continue we are not sure -- from what was the Queen's Printer in Ottawa and is now Information Canada.

We are asking and we suggest that this is an area where government could make substantial contributions to finances without having attached to it criticism that it is showing favouritism or that it is getting into the publishing field or whatever the case may be because this is for research for the benefit of all publishers and all authors in an attempt to make this known to them.

We have -- and I will comment only briefly on appendices -- we have sent out Appendix A and I will be glad to expand on this at any time. Notes on international copyright, the Berne Union which is the oldest International Copyright Convention, the Universal Copyright Conventions and the manufacturing clause, the Toronto Agreement and the effect that the Universal Copyright Convention

had on the manufacturing clause as it applies to Canada.

I think with those few remarks perhaps we can start answering questions, Mr. Chairman.

MR. CAMP: I was curious about the coin operated machines which you describe on page 8, the revenue from which is divided between the machine owner and the library. In what kind of libraries are these machines most commonly found?

MR. SHARP: I don't think I could say where they are most commonly found. One sees them in many libraries.

MR. CAMP: Public?

MR. SHARP: In public libraries, yes.

MR. CAMP: Schools and universities?

MR. SHAR: I doubt if they are in public schools. I think they are mostly in public libraries and I believe they are also in universities and located at strategic points on campus.

MR. CAMP: Have you any idea what the breakdown is in the income as between the machine owner and the library?

MR. SHARP: No, this is one of the many questions we don't know about them. We just have these indications that suggest that photo-copying is being carried on in an improper way.

MR. CAMP: And you suggest that an independent survey be made of all these copying practices in universities, schools, libraries, and so

on, an independent survey by what body?

MR. SHARP: Well, we would suggest that perhaps the government might consider ways of doing this either by getting an organization or agency that is capable of doing it or other expertise.

MR. CAMP: You might tell me how long you think it would take to complete such a survey, assuming that they agreed to do it?

MR. SHARP: How long it would take to do this? Well, it would take certainly to get a fair indication of what is happening in the schools, it would have to be done during the school term and whether there are peaks and valleys in the practice of photocopying in schools I don't think I could answer this. This sort of thing is what we don't know. We do know there is a great deal of evidence to suggest that there is very substantial photocopying going on. This, I think, would take some considerable study and a hard look at before we could mention this specifically.

MR. CAMP: Turning to your recommendation with regard to the two cents that you suggest per page, how would -- you are all representatives of publishing firms except for yourself -- what would be a fair allocation as between the author and the publisher in such a payment? Is that a matter to be negotiated by each author and each publisher?

MR. SHARP: It would be and I think --

DR. JEANNERET: Why wouldn't you look at your contract?

MR. SHARP: I think our original agreement would probably cover that.

DR. JEANNERET: The acoustics are bad here.

MR. SHARP: They are.

MR. CAMP: Well, does the answer depend on not any industrywide formula or imposed formula but it would be a matter of negotiation between each author, each publisher and each contract?

DR. JEANNERET: It is in your contract.

MR. CAMP: Photocopying is in my contract?

DR. JEANNERET: Subsidiary rights would be.

MR. CAMP: What is the percentage, Mr. Gray?

MR. GRAY: I think it would normally be a 50-50 split.

MR. CAMP: What is your annual budget for the operations of the Institute?

MR. SHARP: Approximately $15,000 -- quite inadequate.

MR. CAMP: And what is the Information Canada contribution?

MR. SHARP: This year so far it has been nothing but $3,500 last year.

MR. CAMP: Do you have, as we say, a ball park figure for an adequate operating budget?

MR. SHARP: Yes, we have. Perhaps I will let one of the publishers answer that.

MR. PITMAN: I think perhaps we should direct ourselves, Mr. Chairman, to the level at which the Copyright Institute should be operating, rather than what it has been operating. I think we should be thinking in terms of something like $50,000 a year, of which we should look to half being raised through industry, direct industry and associated industry. We would wish to see some degree of equal participation from government.

MR. CAMP: With the publishers making a matching or corresponding grant.

MR. PITMAN: We did not expect to see as much as $25,000 from the publishers themselves. We feel there are other parties interested in this too, for instance, that the paper industry, pulp industry, various manufacturing industries, also have a stake in copyright.

MR. CAMP: Could you tell me the basis upon which the Queen's Printer agreed to participate in this? What was the motivation? What was his interest? Her interest.

MR. SHARP: The Queen's Printer is probably the largest single publisher in Canada and I have had talks with Mr. Duhamel when he was the Queen's Printer, and he realized the importance of copyright to him. For instance, his 5BX program, he felt that Canada's having joined the Universal Copyright Convention, this enabled him to sell readily without taking other

steps, his program in the United States, and this has been a very remunerative one. There must have been many others.

DR. JEANNERET: You mentioned no interest in the manufacturing clause. You didn't mention, as I recall, your concern with the manufacturing provisions in the U.S. legislation either.

MR. SHARP: I thought I had. I touched on it and referred to it as being contained in appendix A.

DR. JEANNERET: That is all right.

MR. CAMP: I was just trying to develop the rationale whereby, from various sources you would gather $15,000, including from federal sources, and then the provincial government of Ontario would be called upon to contribute $35,000, let us say, to provide an adequate base for your operation.

MR. SHARP: You are interested in the source of this $15,000?

MR. CAMP: No.

MR. SHARP: How is it divided up?

THE CHAIRMAN: We are having a very great bit of difficulty. We were put in a lousy room and we are trying to get it changed.

MR. CAMP: I was just considering the rationale of your request for provincial assistance and we had established

that if an adequate operating budget would be $50,000 of which, conceivably, the industry, taken as a general phrase, would contribute $15,000, including the federal government and the Ontario government would be expected for what is, in fact, a national organization to provide $25,000.

MR. PITMAN: This was no my suggestion. I was looking for a more equal split of 25 and 25. Our present operating budget has been at $15,000. We believe that that should be increased in the private sector to $25,000 and we would wish to see a participation from government for another $25,000. I would like to add that we are seeking a greater level of activity because of the great increase in copyright matters, both at a national and international level.

MR. CAMP: No argument with that, but I just wanted to sort of clear up what it is you are recommending here. The provincial government has made no contribution?

MR. SHARP: I just point out that probably in the neighbourhood of close to 90 per cent of English-language publishing is carried on in the province. This is one of the main reasons why we are before you, sir.

MR. CAMP: As it is distributed across the country. Have you made any request for provincial government assistance?

MR. SHARP: No, sir.

MR. CAMP: With regard to the public lending right, I just have one question. It isn't so much a question as something you might be able to expand on. We were talking about some form of compensation to the author and the publisher for lending their works. Do you come down to what a Canadian book is, which is any book published in Canada? You can't exclude the works of authors elsewhere in the world which include books which are printed in Canada, but are in fact originally published elsewhere. Is that true?

MR. SHARP: Well, I am not sure what your question was, but I gather you are querying the suggestion of the definition of a Canadian book for public lending rights. As a start, it was suggested this should be the case. There is an argument for this because this would encourage Canadian publishing in rather than sending it abroad. This is the sort of thing that requires a hard look. The Institute has not the means, the funds to analyse and collect information on which to base the proper sort of judgment yet on $15,000 a year and trying to spread ourselves all across the map, you know, it just cannot be done.

Certainly the public lending right, I think, on examination, however it turns out, whatever the definition should eventually be, I would argue strenuously in favour of examining it,

because it has many, many merits.

MR. CAMP: I think it had been suggested earlier that this be a right which would be conferred only upon Canadian works published in Canada. Would you want to go beyond that?

MR. SHARP: Well, I suggested a work published in Canada. In Sweden, as I understand it, they recognize any work written by a Swedish national, wherever he may be, and any work translated into the Swedish language by any Swedish national, wherever he may be.

MR. CAMP: Which is not quite the same as saying any book published in Canada.

MR. SHARP: No. We are proposing this for a slightly different purpose. I inquired of Judge Gehlin, the president of the Swedish Authors' Association, about the question of contribution to publishing, and he said that this did not arise in Sweden. It had never -- the question had never been raised and I can only hazard a guess that perhaps because the Swedish language is peculiar, they are in a very different position from us. We have a world language and they have a language spoken by 8 million people only, although some of the other Scandinavians can understand it. We have a language which is spoken by several hundred million people and our neighbour next door using it.

MR. CAMP: Thank you.

DR. JEANNERET: I am going to

resist the temptation to ask about 50 questions because I think we should, subject to my colleagues, the Chairman, I take you up on your proposal that we look on this as a kind of preliminary canter in a very important area so there is no point going into specific matters. There are a number of specific questions I would like to see us discuss and I just ask a couple of very general questions. One slightly in between: Supposing sections 27 and 28 were rescinded as the Economic Council of Canada has recommended? I think the work is "rescinded". Would you say this would have an adverse effect of serious proportions on Canadian book publishing, on book publishing in Canada? I feel that is a kind of key question and I don't hope for more than a sort of yes or no on the net answer, but would anybody comment on that?

MR. GRAY: Well ---

DR. JEANNERET: How seriously should we be alarmed as publishers?

MR. GRAY: Can I be heard? I think it would further loosen the structure of the agency arrangement which does provide a framework under which Canadians can have access to most books published. However unsatisfactory some of the workings of it, it is a framework that appears to me to be preferable to any alternatives. I don't know what more I

can say.

MR. PITMAN: I think the Economic Council report has fixed on sections 27 and 28 as the villain in the piece for differential in prices which really relate to an agency situation which might be quite separate from those sections 27 and 28. It seems to us that sections 27 and 28 anyhow to some extent, presuppose situations of permitting Canadian-authored and published works to be published elsewhere and equally local editions by Canadian publishers of foreign works to be published in Canada. The first instance, hopefully increasing the sale and market for Canadian works and being good for Canadian authorship.

The second, enabling books of foreign authorship to be made available, hopefully, less expensively to the Canadian reading public. We do not feel that the Economic Council's point has proven that the list of imported books of which, as far as we know, not a single one actually was produced here under a licensing arrangement under 27 and 28, but would appear to have been imported under an agency basis is responsible for the price.

DR. JEANNERET: I know we are going to get into the Economic Council's recommendations in one of the briefs this afternoon

as well. I think it is this afternoon.

I wonder if you could be persuaded to offer us a kind of draft re-draft of sections 27 and 28? The point is that you recognize that 27 and 28 are not tidy in their present form and they don't work properly. The Economic Council has recommended that they be rescinded. I think your position is that by no means should they be rescinded. I think that is your position. So a redrafting you recognize is necessary and you have said so in your brief. Would you care to work on a kind of draft of that redraft and let us know what you think would be acceptable as a substitute for the legislation? We are not going to pass it anyway.

MR. PITMAN: I think this would be a good challenge, but I think we should be aware of what happens in Paris in July of this year to find out what happens on the question of the developing nations and the rights that they may in future enjoy in terms of cheap editions.

DR. JEANNERET: Let us not leave it too long. I mean, you can always redraft your redraft if you wish. It is something we need to discuss and it is all very well to say "These should be rewritten" but I am not sure just what you have in mind.

One other question: You do plan

a kind of critical commentary, a review of the report of the Economic Council on intellectual and industrial property, and I wonder when we can see a copy of that, when are you sending it along, I mean? I would be personally very much interested in seeing a detailed review.

MR. SHARP: Well, we are certainly going to try and do this under a limited budget which we -- which is not $15,000 this year.

We have not got that much money and how far we can go and how fully we can go into these depends really on that but we are going to have something and we would certainly like to have a budget on which we could do a very thorough job on it.

DR. JEANNERET: Provided we meet again, Mr. Chairman, I have no other questions.

THE CHAIRMAN: Well, it appears we will meet again with you and hopefully we can enlarge on the very fine submission you have made. I have one or two questions I would like to ask, particularly of Mr. Sharp. I am looking at page 4. Just to help me in my understanding of the legal aspect of copyright as you set it out, you say:

> " Copyright protects only the form of expression and not the ideas expressed nor the content of information or opinion. These can be freely used by all. A clear distinction should therefore be drawn between the restraining effects of patents and those of copyrights. It is not appropriate to speak of copyright as a 'monopoly' in the sense in which this term is generally understood."

But is there not, Mr. Sharp, a monopoly on the form of expression?

MR. SHARP: Yes, there is, but one has to remember that what copyright is attempting to protect is the work and labour of the author and

when one talks about the form of expression this is one aspect of it but, for example, the Toronto Legal Directory, if you compose a Toronto Legal Directory and it turns out to be identical with the one here but if you go and get that material from its source yourself you are not in breach of copyright.

DR. JEANNERET: I hope you don't start everybody doing that: I publish that.

MR. SHARP: There is nothing to stop everybody doing it and that is why no doubt you have done it or your editor has done it. They insert into these things -- and everybody knows it, errors and omissions and so on and so forth so that if somebody should take your work and profit by your labour you have proof or some proof, some help in an action for infringement.

THE CHAIRMAN: On that point, on page 14 you say:

" There is no law in Canada to prevent an unscrupulous publisher from taking advantage of a competitor's investment in a new edition of a work in the public domain, produced at considerable expense, and reproducing it by photo-lithography at nominal cost."

Have you any -- no names, no pack drill sort of thing -- but have you any evidence you could offer to us where this has in fact happened? Is there any evidence that this has, in

fact, happened?

MR. SHARP: Yes.

MR. IRWIN: There was a school situation in one of the western provinces where an edition of one of the classics specially set by one of the publishers was photocopied.

THE CHAIRMAN: And I daresay there must be others as well?

MR. GRAY: There was quite a notable case, Mr. Chairman, of a recopying in New York of all the publications of the Champlain Society or almost all of the publications of the Champlain Society because our copyright didn't hold in that market but the same thing could have happened here.

THE CHAIRMAN: What is the attitude, Mr. Sharp, of your organization with respect to the Swedish system of public lending rights? What do you think of their system? Are there features of it which you would recommend to us, for example?

MR. SHARP: Well, the main interest-- my main interest in the Swedish lending right is the fact that here is a lending right recognized in law by a progressive country that has some parallels with Canada -- a small country and an extra large group of publishing houses. Therefore, really what interests me most is the principle which it seems to me could be adapted or adopted to the Canadian scene.

THE CHAIRMAN: And there are other countries, are there not, which have systems which recognize the principle?

MR. SHARP: Yes, Norway, Denmark, Germany has had for some time recognition of the principle in the case of libraries for profit where they lend books out for charge. There is currently before the German Bundestag, the German Parliament, a Bill to extend this to public libraries and there is quite an explanation of this in German, unfortunately, in the Appendix.

THE CHAIRMAN: Is the public lending right one which you think should be, if it is to be instituted, is it one which should be instituted by the federal government or the provincial governments, in your view?

MR. SHARP: Ideally it should apply all across Canada but in view of the fact that such a large percentage of publishing takes place in Ontario and if this Commission feels that it would be in the interests of Ontario or the public of Ontario to aid publishers then I think this is an ideal way in which a province could do it.

DR. JEANNERET: I think your position, Mr. Sharp, is that the lending right could be lifted out of copyright altogether. I think if you could make that point it would be worth while.

MR. SHARP: Well, I didn't understand what was behind the question. Of course it can. I

think we pointed out in our brief that it has nothing to do with copyright, either international copyright -- it is my opinion that it does not affect the problems of constitutional rights in Canada. It is one which could be dealt with by the province. Certainly it is a field which has never been entered by the Dominion.

THE CHAIRMAN: I wondered if you might have any recommendations to us as to how the publishing industry might attract the attention of the federal government in relation to taking some action with regard to your recommendations?

MR. SHARP: Perhaps a strong recommendation from this Commission is the first thing that occurs to me.

THE CHAIRMAN: Have you any suggestion as to the language we should make it in?

MR. SHARP: Pardon?

THE CHAIRMAN: On page 20 you talk in subsection 3 of Section 28: "sets out several exceptions". You say:

" This allows American mail order houses a wide open market in Canada."

By inference or otherwise are you suggesting that the use of the mails might be curtailed or constrained, if you will, to prevent the mail order houses in the United States from penetrating the Canadian market in the way that they do in such a liberal fashion?

MR. SHARP: I had not thought of that,

Mr. Chairman.

THE CHAIRMAN: Would you think about it?

MR. SHARP: I will. Of course, you realize under present law it is permissible. They are not doing anything improper.

THE CHAIRMAN: Oh, indeed, and if we were just here to examine the present law, but we are doing hopefully more than that and I just raise this question with you because the response might be very interesting.

I had joined, I think, with my colleagues in suggesting or hoping that we might receive from you an expansion, if you will, of the recommendations contained on page 24 because you touch on the basic ingredients in your recommendations but it would be even more useful if you would give us some suggestions as to plans which might be put forward.

MR. SHARP: Were you thinking particularly of the ISBN?

THE CHAIRMAN: I am thinking of all of them, particularly the Organization of Canadian Authors and Publishers, OCAP, and how such a system of the collection of money might be instituted, how it could be done. I think you know what has to be spelled out and certainly the second one, the ISBN and the ISPN, the public lending rights, I think it would be very useful to have your comments that relate to the Swedish system and the

Norway system; in other words, what kind of a system would you like to see rather than just the principle? How would you see it being something that could be implemented in fact?

I don't think I have any further questions.

Gentlemen, thank you for coming with your very helpful brief. We will undoubtedly be in touch with you and there will be meetings because the technical content of your brief must be examined exhaustively as we proceed. We are very interested in the public lending right. We will be examining hopefully first-hand the situation in Sweden, the U.K. and Norway, in due course. So that anything you can do to help us in this regard will be much appreciated.

MR. SHARP: Thank you very much.

---Luncheon adjournment.

---On resuming at 2:00 o'clock p.m.

SUBMISSION OF THE BOARD OF EDUCATION FOR THE CITY OF TORONTO

THE CHAIRMAN: I apologize for my tardiness. I left North Sherbourne 20 minutes ago by cab and wound up walking more than half the distance. I do apologize to you for the delay. I suppose the best thing to do is move into the building and then I would not get caught.

We have not only music -- may we have the music cut off? This has been an exciting place this morning and we have not been able to hear each other and now we are getting music through the box.

We have with us this afternoon, and they were very kind to come, representatives of the Board of Education for the City of Toronto. I wonder, gentlemen, if you could identify yourselves for us, please?

MR. JONES: Mr. Chairman, I am the Director of Education and Senior Official of the Board, R.E. Jones. May I introduce the members of our delegation. On the far left is Mr. Barry Lowes and next to him, Dr. Maurice Lister, two elected members of the Board and two

past Chairmen of the Board. The other four of us are staff members. On my immediate left is Mr. A.L. Milloy, Superintendent of Secondary Schools and after him, Mr. Eugene Gattinger, Chief Librarian, and in the centre, Mr. Mel Lafontaine, Head of the Documentation Section of the Education Centre Library.

May I start, Mr. Chairman?

THE CHAIRMAN: I am going to ask, first of all, that the loud speaker system be shut off because we are getting music as well as everything else to the accompaniment of what you are going to say. I am sorry for this difficulty. I wonder if you could just talk with us in normal tones. We will have to raise our voices to some extent, but we can probably cope.

Gentlemen, we wanted to discuss with you in general terms the practices and procedures that your Board follows in relation, particularly, to Circular 14. We would like to know your attitudes, the practices, as I say, and how you feel about Circular 14 as far as you are concerned, what you feel about the directives you get from time to time from the Department of Education in regard to it and, of course, you are aware our concern principally, as far as the Board goes, is particularly with respect to textbooks and learning materials as well. We thought we

might have the benefit -- we appreciate your coming and your being here to talk with us. This is a very major issue and your Board, of course, I suppose, is the most, I am going to say important board in the Province. I don't think you are going to disagree with that. There may be others who will.

We thought, with your background, we could gain a great deal from your experience.

I wonder, Dr. Jeanneret, if you might open the discussion?

DR. JEANNERET: I think that the discussion is precipitated, as I understand it, by a brief we heard earlier in which reference was made to a resolution which had been tabled by the Toronto Board with reference to textbook selection policy with which you are acquainted and it did seem to be a resolution that called for procedure that would be in violation of the established regulations and legislation. This led to a great deal of discussion and it was not in any spirit, I am certain, of finding fault so much as securing a light on what practices are followed by major boards such as your own in relation to Circular 14. Really, there is nothing beyond that. It is not a question of hearing a brief at all.

THE CHAIRMAN: We have, of course, your resolution of the Board of December 10th, 1970, "Minutes, Page 931" in which certain statements

are made and it is recommended:

(a) That, in keeping with the policy of the Board regarding decentralization, the principal and staff be authorized to select and approve of the textbooks to be used in each class in all secondary schools.

(b) That the principal submit a list of the textbooks so selected for the school to the Superintendent of Secondary Schools, on or before May 1st of each year, and that the Superintendent of Secondary Schools maintain a list of textbooks in his office for the current school year."

Let us start off by wondering whether Circular 14 was in the mind, collective or corporate mind of the Board at the time this resolution was passed?

MR. LOWES: There is a part (c) which you don't seem to be privy to, and I wonder if our Director of Education might read a subsequent minute to you which might help clarify it?

THE CHAIRMAN: That would be very helpful.

MR. JONES: Mr. Chairman, we can understand the concern of the Canadian Book Manufacturers' Institute in regard to the resolution as you read it. I think perhaps we in this regard. We intended it to be understood that the selection be made as far as possible from Circular 14. We use the qualifying phrase "as far as possible" because, of course, there are some books, or some courses that are not covered, for instance, English, there are not English texts in Circular 14. We intend this to be understood. However, members of our own Board, particularly the members of the Advisory Vocational Committee, spotted this at the meeting following the one in which this resolution was approved and asked us to report further on it, which we did. We drew up a subsequent(c) clause to the resolution, which Mr. Lowes has referred to. This was approved by the Committee and finally approved by the Board on April the 8th. It reads as follows:

> "(c) That principals and staff be encouraged to select its books from Circular 14 wherever possible. If a selection is to be made as an alternative to those listed in Circular 14 for

the appropriate level and grades, that the alternate textbook be first approved by the appropriate Assistant Superintendent of Curriculum and the Superintendent of Secondary Schools."

Mr. Chairman, we think our practice is in accordance with the spirit of Circular 14 to almost the greatest extent possible. We are pleased to be here to present this view to you this afternoon because you have indicated, we are certainly the largest board in Ontario but would argue that we are the most important. We are pleased to think we have been given the lead in many respects in education in this province and particularly in regard to the development of school libraries and the use of all kinds of books, textbooks, supplementary books and so on. We think that probably we have led the way in the province in this regard. We think an examination of the facts will demonstrate this.

However, this is not to say the situation in regard to the use of books is unchanged over the past few decades. As a teacher of 38 years experience with the Toronto Board, I can remember when we taught with one single textbook authorized for a subject at a given grade level and very often that single textbook would encompass more than

one year of programming in that subject field. It could be used for two, three, four years.

THE CHAIRMAN: Just to comment as we are going by, it seems to me when people talk about the one-textbook kind of situation, three or four decades ago, and how poor the situation was inthose days, I must reflect, and I do reflect from time to time on the quality of education that all of us must have and how incomplete it must therefore be. In any event, some of us seem to have survived.

MR. JONES: That is a little comfort we try to draw from the same situation, Mr. Chairman. I would have to point out from the other point of view, however, that there was a great deal of dropping by the wayside in those days, and it is an attempt to widen and broaden interests that in part resulted to the change in textbook policy.

THE CHAIRMAN: Can you tell me this: As I understand the situation this whole decentralization, using your words here, began with a teaching philosophy that was put forward by a man by the name of Dewey in the United States. This progressive education, is this where it started to become decentralized?

MR. JONES: We would think that would be an oversimplification.

THE CHAIRMAN: I tend to over-simplify.

MR. JONES: We think there has been a marked change. We think there are two factors that brought about this change and one is the changing philosophy of teaching which involves the introduction to the child's mind of a whole host, a whole variety of materials and the exploration of discovery, rather than the concentration on a narrow base of facts and information to the exclusion of wider points of view and interests.

The second thing is the great change in the media that has resulted in the use of information retrievable from other than print sources. For instance, we are now calling our school libraries resource centres because they encompass such a wide variety of materials other than the books. We think these two things have brought about the change and, Mr. Chairman, this is really what I was going to say to conclude my introductory remarks. If it meets with your plan, I would like Mr. Milloy now to undertake in a more specific way to tell how our use of Circular 14 operates at the school level and all of us then are prepared to answer any other questions that might arise.

THE CHAIRMAN: Thank you.

MR. MILLOY: Mr. Chairman, I have got in front of me a memorandum that we forwarded to the Secondary School Principals in January, 1970, and this represents the

policy up until the particular minute that is before you. We quoted in it the first two clauses, 1 and 2, in section 7 of the regulations that I am sure you are familiar with. We quoted those and then we went on to say that -- in this fashion:

> "So that this office may have a complete list of textbooks to be used in your school in 1970-71 and in order that approval of the Board may be obtained for the textbooks being used for the fist time . . ."

-- that phrase "for the first time" is lifted from section 2 of the regulations.

> ". . . we need the following information from each school:
>
> List 1: Textbooks which are included in Circular 14,
>
> List 2: textbooks which are not listed in Circular 14 but which have been used by your school and approved by the Board in previous years and,
>
> List 3: textbooks which are not listed in Circular 14 and will be used by your school for the first time in 1970-71."

That phrasing is lifted out of the regulations.

Having received those, we then prepared a report for the Board which went to the Board on March the 6th, 1970, and it quoted the first two sections again and then at this note:

"The list of textbooks which have been selected by the principals of the secondary schools and which will be used for the first time is included as appendix A."

Not in Circular 14, they have not been previously approved by the Board in former years, but now they are up for the first time. This list was presented to the Board (indicating) and there are 45 plus pages, single spaced with titles. We have not got staff to go through their duplications. More than one school will submit a particular title so it doesn't represent 45 pages of distinct titles.

THE CHAIRMAN: To what extent does that list involve books covering those areas that Circular 14 in fact covers?

MR. MILLOY: It does not.

THE CHAIRMAN: It only covers English or what else?

MR. MILLOY: Mostly English.

THE CHAIRMAN: So any text that is to be used, that is not on Circular 14, other than that particular category,

has to be approved by the Department?

MR. MILLOY: Yes, I am coming to that, Mr. Chairman. I simply point out we have not the staff to go through this and search them out. We know the organization on Circular 14 makes it not an entirely easy task to zero in on a book right away, if it is on the Circular, because if ---

THE CHAIRMAN: From what source was that list compiled?

MR. MILLOY: This is from the submission by the principals.

THE CHAIRMAN: How does the principal compile it?

MR. MILLOY: From his department head and I read to you and I read to you he was asked for three lists, those that he is using which titles are on Circular 14, those titles not in C. 14 and where no book is prescribed in C.14 but it has been a title approved by the Board in previous years, and then, thirdly ---

Then, further, books that are not covered in C-14 for which provision is not made and he is submitting them for approval by the Board for the first time. So we submitted that to the Management Committee of the Board and the Management Committee approved the minute that you have read out. The same list and report went on to the Advisory Vocational Committee of the Board and there one of the members who is himself a publisher and knowledgeable in the field, raised the question, were we not using at some schools perhaps books for which there was an alternate C-14 and at that point I asked that the report be deferred until we could look into that matter.

Now, we did look into that matter and determined that indeed in some schools in some courses there were books being used where C-14 prescribed the text and consequently we came back with the (c) recommendation that the director has quoted to you which I submit is in strict conformity with the regulations, either select them from C-14 or apply to the Assistant Superintendent of Curriculum at the Department of Education to get approval. We have made some of those submissions and we have been turned down on one or two of them so we are following that strictly.

The principals were asked, of course, if they were not using a book that is on C-14 but using an alternate in violation as it were and for

what reason. Well, there were reasons given, that the book had previously been on C-14, they had bought stock, they had it on hand and they were using it until the books were worn out, that the books listed on C-14 were just simply not suited to the courses which they had implemented. Some courses that are developmental in nature proposed by the Department of Education, a book prescribed or suggested in the outline of the course but has not yet found its way onto Circular 14 4 so there were a number of these. They are, of course, a very minor part of our total textbook purchases.

Finally, Mr. Chairman, I did get from one of the schools, it happens to be Harbord Collegiate, their booklists for grades 9, 10, 11, 12 and 13 for the current year and it is in, I think, strict conformity with the regulations. It is interesting to note that apart from English the only non-Canadian books in all of the lists are in German, two books in German in grade 10, two in grade 12 and two supplementary books in French in grade 13 and, of course, the principals point out that the Canadian authored Canadian publication is, of course, not strictly adhered to by C-14 because grade 13 physics, for example, the only book on the list is an American published book, authored and published in the United States and this is also true of one of the books on the list in grade 13 chemistry.

DR. JEANNERET: The score is around 87 per cent?

MR. MILLOY: Yes. That is our explanation of how the particular minute came about. It was prefaced in our minds that we select from C-14 and that the conditions described there should apply to other than the Circular 14 books. Now in hindsight we realize we should have spelled that out at the beginning of the report or the recommendations. I guess we didn't realize the coverage this particular thing was going to get.

THE CHAIRMAN: Well, the Board has taken notice of it. You have got to be very careful.

DR. JEANNERET: Could I ask a general question or two on Circular 14 because this is an unparallelled opportunity to discuss it? Obviously a good deal of the time of the Commission has been spent discussing Circular 14, the implications of it, its administration and its application, both in theory and in practice and your views would be valuable.

I suppose from the standpoint of the Toronto Board of Education -- I don't want to put the answer to my question -- but you might be just as happy if there were no Circular 14 or do you disagree with that?

MR. LOWES: I think we would disagree, Mr. Chairman. We can only answer as individuals but from our background of experience and living with our colleagues --

THE CHAIRMAN: Having given that response, why?

MR. LOWES: The reason it triggers this kind of reply is that we got a request a few years ago for instance from the provincial government, would we endeavour to buy Canadian and the Board considered this at some length at that time and while there was not unanimity certainly there was a strong feeling that other things being equal we should indeed try to buy Canadian, feeling this was a responsibility. If Circular 14 was not there I think without other kinds of safeguards you might want to talk about, it would open a floodgate to publications and to a tremendous proliferation in any given field and then you would be leaving it to the particular teacher or department head probably to reach out to his favourite text which could come from any source. I would just intuitively think this would do grave harm to our book publishing industry.

DR. JEANNERET: I am very much interested in that observation and I would like to follow it up with a question that touches on a very sensitive area I am sure to the Toronto Board, namely, budgetary. In 1968, I believe, the per pupil grants for books were integrated with the per capita grants and what was previously a $3 per pupil became part of a $500-odd per capita grant for the general budget support.

Would it be your impression that thereafter less money or more money was spent on books?

MR. LOWES: We could only speak for the Toronto Board. We have always spent beyond that allowance. This has not been something that we have spent up to, we have always spent beyond, is this true?

MR. MILLOY: Mr. Chairman, perhaps we are in danger of confusion. We have a Board provision, budgetary current for the purchase of what might be called library books which in past years has reached $8 per student in the secondary schools. That is distinct and apart from the provision for textbooks. The textbook provision, as Dr. Jeanneret has pointed out, got under way, of course, by legislation which made it mandatory for the Board to provide textbooks and there was a grant, at one time I believe it was $12, $6 -- I remember these figures now. Our current budget is made up with provision made for textbook purchase by taking experience in the schools and the provision normally has been, I think it is in the neighbourhood of $14 or $16 per student. This is in light of the fact that you already have a book stock and this is for renewal of books that are worn out, whose pages have become loose and also to provide textbooks, another choice of textbooks.

DR. JEANNERET: In other words, in your case the integration of the per capita grant in no way had an adverse effect on book purchasing? Perhaps from an educational standpoint you should cut down, I am not saying, but it did not have any such effect?

MR. LOWES: We can only attest to the high priority given by the particular Toronto Board to library resource centres and their development.

THE CHAIRMAN: I wonder if it could be, it would be useful to us, if you could give us some kind of current figures over the past, say, five years if it would not be too much, some time at your convenience.

MR. MILLOY: Mr. Chairman, it would be quite difficult because in the years prior to free textbooks grades, 9 to 12, generally the school would know the total cost but they would not know whether student A bought his brand new out of the store or whether he obtained them from an older brother or sister or even from neighbours if he had progressed to a higher grade, so that to determine at this stage what were the annual expenses of a grade 10 student in 1960 I submit is almost impossible.

DR. JEANNERET: But for very many years your expenditure on books under the legislative grants of $3 per pupil for instance in the elementary were subject to very careful auditing, so those figures should break out rather easily, shouldn't they?

We don't want to put you to a heavy exercise on this.

MR. JONES: We can certainly provide you with what information we have in this regard, Mr. Chairman.

THE CHAIRMAN: We can see the comparative figures if they can be obtained and if they are of value and I daresay we would be interested in getting such figures from other Boards as well.

DR. JEANNERET: I am sure you agree, Mr. Chairman, nothing in this question is in any way trying to prove the Toronto Board at fault. We are trying to get patterns and generalize on them and relate them to the statement that has been made constantly to us that the integration of the grants led to a vast diminution in the purchase of textbooks on the average.

MR. LOWES: You are very kind, sir, our skins are much thicker than that.

THE CHAIRMAN: We have had some evidence of that in the past. Can you examine a sort of a loose question with me? You talked about safeguards for the publishing industry in Canada. I was wondering in terms of cultural or social goals or objectives for Canada whether there is any, in your view, either individually or as a group, are there values in Canada, cultural, social or otherwise that you consider should be protected and, for example, are different from those

of the United States? If there are no differences why should we bother having Canadian texts? Could you look at that for us?

MR. MILLOY: Mr. Chairman, you have limited it to cultural and social. I would like to come in with one which might conceivably be related to those two. For example, in the fields of mathematics and science -- I speak of it because it happens to be my own -- we proceeded through a long period with mathematics and science textbooks in Ontario that dealt with the subjects in a quantitative fashion rather than qualitative, rather than descriptive at a time when the typical American high school, I think, was depending to a much greater extent on a descriptive or qualitative kind of mathematics and science. Now, Sputnik in 1957 changed the picture in America but the pendulum swung far the other way and they have come down with PSSC physics which to my mind is beautiful physics but very difficult for many, many students, really in my view too difficult for the general high school student either in America or here. So, I think that we have had a very good situation. We were able to maintain it, I think, because of Circular 14 and the regulations that preceded it. Without that kind of spur, as it were, or encouragement to Canadian authors and publishers I suspect we would have leaned more heavily on the American practice which in the period I have described was

not, in my view, a good situation, not good textbooks.

THE CHAIRMAN: I think the thrust of my question was perhaps a little broader, and less precise. I had in mind the fundamental reason why we appear to be sitting here and I wanted you, if you would, to examine whether or not there are differences which are worthy of protection in this country and particularly in the educational sector?

MR. LOWES: Mr. Chairman, I would certainly react very positively as an individual to that. Having children in school and being involved for a number of years as a trustee on the school board it would seem to me that there are certain areas to which we wish to expose children that can only be done appropriately if there are textbooks that are written by Canadian authors and published in Canada.

I am thinking of anything to do with our history, anything to do with the cultural milieu we find ourselves in in Canada which is quite different, which we find with our neighbours in the south.

THE CHAIRMAN: If you might expand on that, how is it different?

MR. LOWES: It has become almost a trite phrase but I think it is almost a truism: We like to talk of our mosaic and, of course, this is quite different than we find to the south with their melting pot. It would seem to me that any American author would have great difficulty in trying to grasp our history from its very beginning and the struggle we are in today. Today, when we have children who are being exposed to texts, and I am thinking of courses like Man and Society, Man and His World. I think there should be a particular bias and reference to our Canadian ways -- not to the exclusion of others -- but we seem to pick these others up by osmosis, through other media, so we don't really have to dwell upon these to the same extent in school.

I would personally think there would be great merit, while it perhaps goes beyond the scope of your Committee, to groups like the Canada Council and perhaps some of my

colleagues might share this feeling -- tends to assist the "creative arts" more than writers and other people, particularly those who are involved in the authorship of textbooks, that might encourage some of these people, whereas I would suggest at the moment the burden is placed upon the publisher to gamble with that neophyte author. Maybe he has found one for his stable, maybe he hasn't, but that places quite a responsibility and gamble on the publisher. Perhaps, in fact, we, as a total country, nationally should be seeking to encourage authors in their beginnings.

DR. JEANNERET: I read into your observations, and I think it is very, very perceptive, a recognition of the fact we are grappling with a real problem in this whole question or whole field of Canadian content.

MR. LOWES: I think it goes far beyond just protecting book publishers. I think that that, sir, is only, you know, the head of the boil, or the tip of the iceberg, whichever way your mind works. It goes much, much deeper than that. It is whether or not we really want to retain any identity, particularly cultural-historical identity as a country, or whether we are prepared to just sink into the morass of publications that can only be gotten from abroad, not just the United States.

MR. LAFONTAINE: I would like to

speak to that, Mr. Chairman. Where my mind goes in relationship to the problem of publishing in this country is to the social and cultural viability of the nation itself. I am not going to speak about differences, but I am going to talk about the tremendous power, the corporate power that exists south of the border, that can create competition even in this country, that prevents that kind of liability on the world scale. As Mr. Lowes has said, you cannot get publishers who are going to risk capital in the more esoteric field, the artistic creative field of publishing, if they are not going to get a market that can support it. I don't know how it happened, for example, to Kenneth Clark as a Canadian, if he had tried to go to a Canadian publisher and get that fantastic book out. I don't know what would have happened to him. You know, there is a cultural development on the world scale that has no borders, but the point is, it does not come from Canada. Canada hasn't got the power to produce that kind of a world impact. That is really what I am saying and I think if we do anything about Canadian art, Canadian publications, we ought to do it from that standpoint first to give it a viability and then the publishers would not be in trouble.

THE CHAIRMAN: Are you saying Canada has not got the power to create this

kind of impact?

MR. LAFONTAINE: Economic power.

THE CHAIRMAN: You are not saying we don't have the intellectual power?

MR. LAFONTAINE: I say we need to get the support to specific publishers in order to do some work and they can't get it here. It isn't the publishers fault. They cannot possibly risk that. They have to lean on things like Circular 14, guaranteed markets and all the rest of it.

THE CHAIRMAN: Even though a good many of the publishers in Canada have parents in other countries of the world ---

MR. LAFONTAINE: I have to make a distinction between Canadian book publishing and publishing books in Canada. The front of publishing books in Canada is really American. If you can list all the Canadian publishers that are truly people from Canada supporting Canadian authorship and Canadian distribution, there are very few in comparison to the people who have the "Canadian operation" which is a kind of side-effect market. It is just more additional and if they lose it, it doesn't really matter that much.

DR. JEANNERET: I don't agree with what you are saying but there are Circular 14s elsewhere in the world including the United States. I am sure you recognize some of them are

more protective and more vicious than anything that was ever built into Circular 14, and require in-State manufacture, and things of this nature.

THE CHAIRMAN: I wonder if you might tell us what the attitude of your Board is towards members of your staff, teaching staff, who want to take the adventure of writing a text? I know we are going to have some ---

MR. MILLOY: I have done it myself.

DR. JEANNERET: For me.

MR. LOWES: Mr. Chairman, I just very briefly would think, in reading the Board, that they are pleased. Of course, they bask in the reflected glory of anyone who is successful in this, but if you look at the list of authors, you will find down through the years a significant number of Toronto teachers who have authored textbooks. The Board has not gone to the extent of giving them specific leave or time off to do this, although they might qualify, through sabbatical leave to do it.

THE CHAIRMAN: We all like to have sabbaticals.

MR. LOWES: We don't enjoy it.

THE CHAIRMAN: Is there any enunciated or stated policy of the Board in regard to the encouragement of authorship on the part of any of its staff?

MR.JONES: No, sir, there is not.

THE CHAIRMAN: Is this the kind of thing that is worthy of consideration, or do you think everyone who is writing involved on your staff is happy to go on the way they have been?

MR. LOWES: I think probably where it comes from, Mr. Chairman, is more, I would suspect, in the professional colleagues can answer this, but more from the department heads and other professionals who would tend to encourage a young man to take on this kind of a work. As long as he doesn't find any roadblocks or frustrations placed in his path by the Board, but, rather, an unstated blessing ---

THE CHAIRMAN: Since we are in the presence of many lovely ladies, I should have thought you might have enlarged your statement to include ladies as well.

MR. LOWES: I think ladies are people, so I don't distinguish between the two in business matters. (Laughter)

THE CHAIRMAN: I didn't want you to get into any trouble.

MR. JONES: I would have to comment that I don't think our staff members feel any restriction whatsoever as to the creative urge in the point, in particular, of textbooks, but as other books as well.

MR. GATTINGER: I think the

author of textbook given the impetus or stimulus to do it, comes from exactly the same kind of articulated need to express something that is a got thing. You are lecturing and find you don't have anything to support, whether in terms of Canadian content, or whatever. You teach for years in your opinion with mediocre material and suddenly you get to a point where, whether the Board would sanction it or whether you could get a sabbatical or whether anything else would stand in your way, you are simply going to write it and I think that is somewhat analogous to poetry or any kind of creative thing. Whether you are teaching math, physics, chemistry or English Literature, if you get a feel that you need this book -- very often, as a matter of fact, these books, as you know, really come from notes, from lectures, from an increasing number of people who go to a library and ask for material along this line and find the author is prevailed upon -- it is another one of those flippant comments but, in fact, authors are prevailed upon and often as much from inside as from outside, and the thing gets written. I think the impetus has to be there and, in my experience, working in libraries, I think that is growing. It is growing markedly and it is a reflection of a wave of nationalist feeling in Canada to preserve this very thing that was are talking about.

DR. JEANNERET: Do you think there is any pendulum phenomenon involved in multi-media at the present time insofar as the book is concerned?

MR. GATTINGER: I certainly do.

DR. JEANNERET: Which side of centre is the pendulum?

MR. GATTINGER: They are not mutually exclusive. They are supplementing one another. As to where we are on the pendulum, it is very difficult to say. I think the last five years of the sixties saw a very marked advance in that direction, but it may taper off under economic stress for a while. But then, maybe I am speaking from a prejudice for the book.

DR. JEANNERET: I think I heard Mr. Milloy say this in public but perhaps I am putting words in your mouth, Mr. Milloy, that there are teachers for whom the multiple adoption approach, the wide and free selection of several copies is the right answer and for their teachers for whom the basic classroom set is much safer. I think that came from you. Would you comment on that?

MR. MILLOY: Well, I ---

DR. JEANNERET: Not your teachers.

MR. MILLOY: I have made the comment that for some students it is beneficial, I think, for the teacher to restrict them, as it

were, to a single textbook. Other students flourish beautifully when we come, as it were, turn them loose into the great world of books and other media.

DR. JEANNERET: It turns on students rather than teachers?

MR. MILLOY: I would say students. The teachers, yes, some of them, perhaps lean too much on one book and others perhaps dissipate the drive by riding off in all directions, but the student, I think, is the one who determines whether the approach will be from a single or multiple source.

MR. LOWES: Could I just add one thing to what Mr. Gattinger said, Mr. Chairman? I think you are going to hear this from the public libraries, but I think Mr. Gattinger as our chief librarian, could answer this. The schools that I have visited and the people to whom I have talked, they seem to find the circulation of books and the use of books by children, not just for recreational or pleasure, but supportive to the curriculum, is on the increase rather than the decrease. I didn't want you to be left with the feeling that other media had taken over to the exclusion or the detriment of books. Really, books are being used very, very heavily in our schools.

DR. JEANNERET: This question is not part of a witch hunt. It grows out

of what Mr. Lowes is saying. I address it to you, Mr. Gattinger: As I say, this is not a criticism as far as practices are concerned, but inasmuch as these books often circulate in other forms than the hard copy of the original book, namely, every kind of photocopy possible, and many copyright questions are raised and we have heard a great deal of that. Would you welcome some system such as the public lending right whereby you knew that you were free to make such use of such materials? This is strictly applicable to public lending right, but some system of automatic license to copy built in. Would you welcome this?

MR. GATTINGER: Speaking as an individual, a private person ---

DR. JEANNERET: We are not going to start any lawsuits out of this.

MR. GATTINGER: I would be a rare duck of a librarian if I did not approve of what you are suggesting. I think Canada needs to look seriously into the adoption of some kind of a system whereby the author and the publisher can get back royalty of some kind based on some type of statistical counting, if you like, on usage comparable to what we see in some of the northern countries of Europe. It has been done and is feasible, but I really think that unless and until we come to that point, we are killing authorship at the source. You know,

there is no doubt about it. In the meantime librarians right across this country, not only in schools, but in universities and in the public libraries too, are faced with this dilemma.

They simply have got literally millions of people who want print material and they want it now and they want it, I mean, in a manner comparable to the man who is receiving the Globe and Mail in the morning. It doesn't do him any good on the other side of the street if he has not got it. The child, the reader, the researcher or the scholar simply has to have his too and I believe when he goes to a public library or a school library and he borrows a copy somehow or other whether it is a pay or whatever, it has got to get back on the basis of use because if we don't do that we are killing off the book manufacturing industry and we are simply not going to get off the ground as a nation culturally and in many other ways either.

DR. JEANNERET: I often find myself admitting it. My own office file on copyrighting bulges with photocopies on the subject. You can't live without it.

THE CHAIRMAN: I would perhaps close by a set of questions, by asking whether or not you think this Royal Commission should be concerned with the possible extinction of Canadian-owned or Canadian-controlled textbook publishing firms?

MR. JONES: Speaking for one member I would say yes, Mr. Chairman.

MR. LAFONTAINE: I think so too, absolutely.

MR. JONES: It goes back to your question about the distinct Canadian culture as a

nation. I think the staff members would concur with Mr. Lowes. I think we do have our own history and our own geography for that matter, our own folklore, our own distinct approach to life. I for instance think we are less materialistic than our neighbours to the south and there are all sorts of distinctive Canadian characteristics that I for one want to preserve. I think considering the Canadian textbook and other Canadian books is all a part of this problem.

MR. LOWES: I think further, Mr. Chairman, it doesn't seem to make sense that we should go to such lengths to protect our broadcasting and yet in such, I think, an equally important area, we don't go to the same length. If there is any validity in guiding our airwaves and our ears and our eyes, it seems to me we should be just as concerned nationally with the consequences of not protecting this other equally important medium.

THE CHAIRMAN: I take it then that you would consider that the book publishing industry as such should really be designated as a key industry deserving of protection of a kind?

MR. LOWES: It is a resource industry I would suggest to you.

THE CHAIRMAN: You would compare that to the broadcasting industry?

MR. LOWES: At least.

THE CHAIRMAN: Then would you go, say,

to the next step which has to do with licensing? Do you think that publishers should be licensed in this country?

MR. LOWES: You are leading me here.

THE CHAIRMAN: Of course I am leading you.

MR. LOWES: If by "licensing" you mean in any way placing any restrictions upon authorship or content I would say emphatically no,

THE CHAIRMAN: I don't think that that prevails in the broadcasting industry. There is a marked attempt to stay away from such a type of thing but I will put the question this way -- as I have attempted to put it before as a question: It appears that anyone in Canada has the right to publish, anybody whether you are a citizen or otherwise you can come in and publish books in Canada. Does it follow that there are obligations or there should be obligations on the part of publishers to publish along certain lines? Do you think there should be any obligations to publish novels, for example, or poetry and things of this kind? Should there be any obligation?

MR. LOWES: No, but I would suggest to you that government can achieve this by incentives and by incentives -- just so that by incentive you can dictate whether you are going to have freeways or public transit, it is through incentives. I don't think you can direct that a

publishing house have a quota of poetry, fiction or technical.

THE CHAIRMAN: Well, the CRTC does, why not publishing?

MR. LOWES: You are in a different medium but broadcasting is not a private thing. Once you broadcast it is everywhere. We turned if off because we were subjected to it here and we wanted to get it off and so we are talking without the benefit of electronics. A book is a very private thing. You publish it and I have a choice of whether I read it or whether I don't. I don't have the choice of listening to a transistor radio that is bang bang banging away on the subway. One is public and the other is very private so I would not think that the two are directly parallel and should not be governed exactly the same.

THE CHAIRMAN: What you are really saying therefore is that the book publisher should not be governed at all?

MR. LOWES: No, except as government might give incentives if they want to stimulate the production of certain types of works.

MR. LAFONTAINE: I would like to speak to that. I think any kind of restrictive and defensive legislation and information movement is incompatible with the content of information movement itself and I don't agree with trustee Lowes --

MR. LOWES: That is not unusual.

MR. LAFONTAINE: ... between the book and other public media. The fact is a publisher publishes the means to make public and the method you choose to do it is a matter of choice and the matter of what type of business you want to be in.

I think, for example, that the CRTC is wrong in insisting on Canadian content as such. I think it functions really as a kind of censorship organ which would, if it had its way, prevent people from seeing the kind of programs that appeal to them. The point I am making is that if we can somehow prime the Canadian pump so that we are capable of competing at the level of sophistication, the level of quality, for example, that Britain brings in here with the Six Wives of Henry VIII which, incidentally, popped up really about 40 per cent in English history in this country, if we can do that through government auspices, somehow support publishing, if the CRTC instead of spending its money on restrictive legislation would, as a matter of fact, pump that into programming that was subjective power the people would want to watch programs in Canada. What we get really when we want protection is mediocrity.

MR. CAMP: I am not sure that that is a subjective judgment. It is part of the problem. Technology is also censure. That is technology has its own momentum and has its own economics. If you are talking about technology in the

continental sense, for instance, then you are unleashing the hounds of hell so far as the preservation of a unique cultural entity is concerned in a country such as this.

MR. LAFONTAINE: I don't think so. I think our problem is that we don't know yet what it means to use a cross-media approach to information and experience. If we understood that then a body like CRTC could function at a higher level of concentration than merely trying to keep that American programming out so that you had a kind of synoptic body that could look at communication in Canada as such.

What I am really trying to say is that the problem is not merely in publishing, that it is an innate formation movement of all kinds and that to protect one does not mean that something is not going to squirt out of another one some place so you need something that is up here looking at the whole thing and saying, where is it weighted and how should we support what elements of it to give it a complete configuration that is available to all of us.

MR. CAMP: Yes, but it would seem to me in the example of broadcasting we have a tax supported system and a publicly regulated system in order to ensure that there is a national content, Canadian content. I can't think of any reason why the government or governments would involve themselves in supporting the publishing industry, for example,

other than to achieve the same result, that there would be a Canadian content in the publishing industry if the single criteria is going to be some kind of global accent. As someone said once before when it gets down to it, better Canadian garbage than somebody else's garbage but surely the fact is that better we have some Canadian content by some kind of Canadian criterion than be swamped.

MR. LAFONTAINE: I agree and I think it is up to publishers and broadcasters to make sure it is there in order to win the attention, the admiration and the time hours and so on that the public would be willing to give to it. I don't think you can legislate the kind of postures you are talking about. It is impossible. The fact is that if I get a choice between Kenneth Clark and The Song my Paddle Sings and an old book that has been reprinted 25 times I am going to take Kenneth Clark and that is all there is to it. If you are going to create a regulation that keeps Kenneth Clark out of my perceptual field I am going to call you a censor and I am not going to like it.

THE CHAIRMAN: We would not suggest such a thing for a moment.

MR. JONES: Mr. Chairman, may I respond to the earlier question as to whether you would like to have Circular 14 abolished or not, I think we would find it quite possible to live with

Circular 14 in its present form and don't find it unduly restrictive. If it were to become much more wide open we would think it would be useless. If it become much more restrictive we would find this difficult.

THE CHAIRMAN: Have you communicated that opinion to the Department of Education? Have you told them that if it went much further it would be useless?

MR. JONES: Well, we have corresponded individually with our counterparts.

THE CHAIRMAN: I can see you sending a transcript of this to the Department of Education or the CRTC. It will be a very useful transcript.

MR. JONES: What I would like to say is that it is helpful in its present form and not unduly restrictive.

DR. JEANNERET: You approved of its improvement two years ago to about its present size. It underwent a tremendous expansion as you know in terms of numbers of titles and whether or not it is on a plateau, we don't know.

MR. JONES: I would like Mr. Milloy to comment. He made this agreement but I personally approve of this expansion.

DR. JEANNERET: I don't suggest there is anything wrong with it.

MR. JONES: No, but I personally approve of that expansion.

MR. MILLOY: I think, Mr. Chairman,

Circular 14 began to grow about 1950 -- I don't know the exact date -- when the single authorization went by the Board. It was somewhere around 1950 and there was a sudden spurt in the number of approved texts and listings and a rather quiescent period and I agree with you in more recent years it has increased the number of titles substantially but I would agree with Dr. Jones which emphasizes, I hope, the point I tried to make earlier. Without it I think our own publishers would not have produced the books they have and we therefore would have been dependent on books available from either the United States or Britain and I have tried to indicate that I am not too happy with those which were available from the United States.

MR. GATTINGER: I may be wrong here but my impression is that if anything the spurt that is referred to is a good sign. I think it liberalized the list very considerably because in many instances they allowed a far greater latitutde of the number or types of titles that a person could choose from. To this extent it opened up the whole thing more than it restricted it and I think it is a far more liberal-looking document than it was earlier.

DR. JEANNERET: It raised a lot of practical publishing problems.

MR. GATTINGER: Yes, it did, but it was the same way about information movement in

opening up or liberalizing the curriculum itself and the teachers are given multiple opportunity to take different types of books and so that the thing becomes more of a guide, if you like, within which they can select which are considered to be quite good texts in those areas.

MR. LOWES: There is one other aspect which my understanding is, in an informal way it is happening, but it is perhaps something your Commission may wish to address itself to and that is the question of the author and the publisher coming together and up until very recently they have had to present the department with a finished text before realizing whether or not it would be acceptable and that is a tremendous example if you are turned down at the one-yard line, especially with all those costs behind you. Our understanding is, in an informal way this is less so today, but I would suggest to you that rather than it being a tacit agreement between the Department and publishers there should be some formality to this so that proposals for textbooks could be taken to the Department and they could, so to speak, nurse it along and at some point wherethey felt it was not going to be to their liking, that is the time to cut it off. Not after the time and effort and money has been put to bringing it up to fruition and perhaps you have got a fruit you don't want to buy.

DR. JEANNERET: I would also respond to this proposal by saying in one case the author gets gored and in every case he gets killed. Under your proposition he is killed dead. He is exploited. Every incentive is given to irresponsible publishers who have

not yet been born to look for authors and exploit them in the hope that maybe they will get past the Department, but if you don't get adoption, then you don't get published, presumably.

It is a tough dilemma. I am not saying that is the whole answer.

MR. LOWES: It would still seem to me, Mr. Chairman, that -- I had forgotten for a while I had written a textbook once, but it seems to me that, to the young author, it must be a dreadfully traumatic experience to pour your soul into a book and bring it along and think you are doing splendidly and being encouraged by your publisher and then bring it along for this particular market and at that very final moment, find out no.

DR. JEANNERET: At least you are published and perhaps going to be adopted elsewhere. The alternative is to be told "We are not going to publish it".

MR. LOWES: But if that is going to be virtually your whole market through the Department of Education, if it is a textbook, there is very little market for books if the schools are not going to buy them.

THE CHAIRMAN: I suppose the whole point is there has got to be a better way. Is that what you are saying?

MR. LOWES: I think you are asking the publisher to take a great financial

gamble along with the author and I am not sure they can really afford to do this.

THE CHAIRMAN: Gentlemen, we do very much appreciate your coming. We have enjoyed the exchange and have learned a very great deal from it. We may be knocking at your door again. Thank you very much for coming.

MR. LOWES: Thank you.

MR. JONES: Thank you, Mr. Chairman.

SUBMISSION OF OXFORD UNIVERSITY PRESS CANADIAN BRANCH

THE CHAIRMAN: We have with us now the representatives of the Oxford University Press, Mr. Owen, General Manager, and Mr. Toye, who is the editorial director. Gentlemen, I wonder if you could touch on the main points of the brief that you would like to make and we could perhaps respond?

MR. OWEN: Well, Mr. Chairman, our brief is so brief as to almost defy summary. For an opening statement I would like to confine myself to saying just this: Canada, for reasons that are now familiar to the Commission, is as difficult a country for publishing as any in the developed world, and the aim of public policy towards publishing should be to compensate, as

far as possible for these peculiarities of the Canadian situation with the object of placing publishers here on a more or less equal footing with publishers in other countries.

THE CHAIRMAN: I was interested, if I may ask one question, in your introduction where, on page 4 you say:

"As a Canadian publishing-house . . ."

I understand that -- you may correct me, please -- that you are a Canadian branch of the Oxford University Press. Is that correct?

MR. OWEN: That is correct.

THE CHAIRMAN: And the corporate entity of which you are, is infact in the U.K., the Oxford University Press?

MR. OWEN: Yes. We are not a corporate entity in law, but never mind.

THE CHAIRMAN: But in point of fact you are a U.K. publishing house doing business in Canada.

MR. OWEN: From, I suggest, the point of view of my colleagues inthe U.K., yes. From the point of view of all of us, no. I am a Canadian publisher. I have always been a Canadian publisher. I have never called myself anything else and never will.

DR. JEANNERET: You are appointed by the British house?

MR. OWEN: A delegate of the British university, yes.

THE CHAIRMAN: I was interested also, too, in your comment on page 6 where you talk about the "bewildering maze of channels instead of through an orderly system of retail distribution". Is there legislation in the United Kingdom which helps to bring about an orderly retail distribution of books that might be of interest to us, to your knowledge?

MR. OWEN: Yes, not legislation, but --- Dr. Jeanneret knows more about this than I do, but there is a trade agreement, as you doubtless know, called The Demand Book Agreement, by which the distribution of books through booksellers is pretty well exclusively through booksellers, is controlled and prices are maintained and so on. The government and Parliament only enter into this in that so far, this arrangement has been exempted from the Restrictive Trade Practices Act. This may not last, but such an agreement, of course, would be totally illegal in this country and it is, of course, one of the reasons we have a very weak retail book trade.

THE CHAIRMAN: Do you think that we might consider doing something in terms of making recommendations in the nature of this?

MR. OWEN: I doubt it really.

DR. JEANNERET: Quebec has done so.

MR. OWEN: Yes. I am very interested

in that, but the complication of books coming to this country from all directions, the complication of the imported book, whether it is represented by a publisher in Canada or not, especially if it is not, many are not. I think this would make it a terribly complex thing to administer. I would like to see it done, but I think we have gone too far in the other direction. I think that path was set a couple of generations back.

THE CHAIRMAN: I thought I might assist you with some of the statistics you have on page 6. This is gratuitous assistance and worth, therefore, what you pay for it. You have the population of Canada as 14 million on page 6 ---

MR. OWEN: I am referring to the Anglophone population which is a true comparison with the population of the United States.

THE CHAIRMAN: That clarifies the statement. That is fine. I was interested in your observation that you consider the Canadian Pacific Railway to be an economic uncertainty. I wonder if you could expand on that in relation to books?

MR. OWEN: There it obviously was to build a railway across an empty country. It was a necessary thing to do.

THE CHAIRMAN: I wonder if you would say if economists had been alive and flourishing, then it wouldnever have been built?

MR. OWEN: Harry Johnson would never have allowed it.

THE CHAIRMAN: I also made one or two comments for myself on page 7 about your gratuitous comments about our recommendations and I think, for myself, I am always pleased to have anyone in any part of the world make comments about what we do or recommend, and I am sorry you are unhappy about the prospect of the implications of what we recommended and I just want to make that comment.

MR. OWEN: As I say, I like your intentions, but I question the technique. That is all.

THE CHAIRMAN: I see. That is fine. You say:

> "This policy seems to us to threaten the independence of publishers even more, and more immediately, than the prospect of more purchases by US interests."

You didn't say U.K., I notice.

MR. OWEN: I didn't know anyone was bargaining from there.

THE CHAIRMAN: Our terms of reference are not that restricted.

MR. CAMP: You are a publisher of record with a publishing house of some considerable record. We are interested in your caveat or caveats. You say, for example, on

page 17, talking about book publishing in terms of it being a losing enterprise under a number of circumstances. You say:

> "The question arises: why was the book published? The answer is simple. It is a very good book and it was unthinkable that it should go unpublished."

I daresay there are probably many examples in the minds of many publishers who make precisely the same decision or persuade themselves, so publishing is not entirely a matter of the accountant and the profit motive.

MR. OWEN: With the general book as opposed to the textbook, ---

MR. CAMP: Trade.

MR. OWEN: The trade or general book, market research is almost impossible because everyone is different from almost every other book.

MR. CAMP: Every publisher's judgment is different from every other publisher's judgment.

MR. OWEN: If it is a book you like it is not always something you can sell.

MR. CAMP: So the decision which the Commission recommended and the government made in regard to M & S, in which you concur, broadly speaking ---

MR. OWEN: Very broadly.

MR. CAMP: Just a minute. You applaud and share its motives.

MR. OWEN: Motives, yes.

MR. CAMP: In other words, the intention was honourable.

MR. OWEN: There was no question of that, it was also a good one.

MR. CAMP: The intention was laudatory. Leaving aside the directors, government-appointed directors, was there any other option?

MR. OWEN: Yes. I suggest that a general recommendation that funds should be provided for low-interest, long-term loans to publishers ---

THE CHAIRMAN: Including U.K. publishers?

MR. OWEN: I think publishers of Canadian books, yes. I am not necessarily one myself, but, as I say elsewhere in the brief, the point is the Canadian book which is in danger, this is far more important than the Canadian capitalist.

DR. JEANNERET: Can you visualize of a situation where there might be no Canadian-owned publishers left in this country at all and I presume you can, we have gotten pretty close to it. If we reached that situation, wouldn't there be a tremendous pressure likely to have the ground rules changed with respect to

Canadian content in Circular 14, for example, and work toward a continental or international rationale in textbook selection?

MR. OWEN: That could be so, particularly if American ownership dominated. I think it is conceivable.

DR. JEANNERET: I am asking if you would agree it would be a good thing if some Canadian publishers of substance survived?

MR. OWEN: Yes.

MR. CAMP: I think I was going to just try and clarify in my own mind these two statements you made. McClelland and Stewart would publish how many titles a year, approximately?

MR. OWEN: I really don't know.

MR. CAMP: Well, it would be around 80. And the House of Anansi would publish how many?

MR. OWEN: I don't know -- 20. I know they are cutting down to about 10 I think.

MR. CAMP: M & S has been publishing in this country for a long time, it is an established house. I really am not trying to score this, I am just asking you why you would say as you do that the house, not to particularize but you did, that a House like Anansi would be equally deserving as McClelland & Stewart?

MR. OWEN: My implication I think was that I don't know and I think the whole situation should be canvassed.

MR. CAMP: You say it is most unfair.

MR. OWEN: I say I don't know what this policy is, is it a precedent or is it not? If it is not a precedent then it is surely most unfair.

DR. JEANNERET: You don't make allowance for the fact, Mr. Owen, that at least one house we are talking of would be bankrupt. I think that is the issue.

MR. OWEN: Yes, I realize there appeared to be a deadline for that particular house. I don't know whether subsequent events suggests that maybe the deadline was not there.

MR. CAMP: To pursue this a little

further in the matter of there being an essential role for some form of assistance provided by government, to publishing houses in various conditions, there has hardly been anyone here who hasn't suggested there be some kind of additional increase or new government assistance to the publishing industry to the university publishers, scholarly publishers, trade book publishers and textbook publishers, don't you think -- or put it another way: How are you going to assure that the public interest is maintained? You can't have a publishing of pork barrel surely?

MR. OWEN: No, if you are going to have one I suggest that the number of hands that can reach for it should be restricted to one pair but I don't know how you can do this but the criterion surely must be to continue the publishing Canadian books and to grapple with the basic conditions that are included in that.

MR. CAMP: While you were doing that though you would have to be sure that there is something left of the publishing industry?

MR. OWEN: Oh, yes.

MR. CAMP: While you are grappling with these problems?

MR. OWEN: Yes, well they are not that profound.

THE CHAIRMAN: Really?

MR. CAMP: I am happy to be reassured. I have just one more question on this point.

Could you explain your objection to government-appointed directors in a publishing enterprise?

MR. OWEN: Well, as I suggested there, that was the second part if this is a precedent. Then, you might easily have the curious situation of government-appointed directors all sitting on several Boards and meeting each other coming around the corner and the risk, of course, the fact that indirectly the Government of Ontario is a major customer of all publishers and it all seems --

MR. CAMP: That is not correct surely, that the Government of Ontario is a major customer?

MR. OWEN: Indirectly.

MR. CAMP: In what way?

MR. OWEN: Through the Boards of Education which it subsidizes, through the large commercial --

MR. CAMP: You are suggesting that the Government of Ontario could dictate to the Boards of Education in the matter of textbook selection?

MR. OWEN: I say elsewhere that I don't think it is water-tight enough but Circular 14 is an indication of the choice of textbooks. I don't think it is very effective any more.

THE CHAIRMAN: Would you go back to the question Mr. Camp put to you which was an

interesting question. What, in your opinion, is wrong with having the government-appointed Board of Directors in a publishing house?

MR. OWEN: I don't, in fact, think that there is anything wrong with it, for one publishing house if you have one publishing house that is partly government controlled. I am in a very small minority among publishers in thinking that there is not necessarily any harm in that but if you get the same government appointing directors to a number of publishing houses then I begin to worry because I care about independence and variety in publishing.

MR. CAMP: Let me put the question a little differently: In the event that a publisher sees the need for him to sustain his operations by borrowing public funds and he realizes as a result of doing so he will incur the possibility of having one or more government-appointed directors on his Board, which is not to constitute the majority, doesn't the publisher in fact have his own judgment in the matter, have his own right to that decision?

MR. OWEN: Yes.

MR. CAMP: You accept the right of Mr. McClelland and his principals to agree to have government-appointed directors on the Board?

MR. OWEN: Of course, yes.

MR. CAMP: I am interested in what you said about children's books. I read it very

carefully but I don't know really where it gets us as to whether or not school libraries can be considered the salvation or even whether they would materially assist in making this, say, a profitable on-going publishing operation.

MR. TOYE: I am particularly interested in children's books and I have worked on a number and I came to the conclusion several years ago that when school libraries began to develop they were our only salvation. The kind of assistance that I was thinking of was assistance in the form of purchases. There are a lot of school libraries who do that and they have budgets for the purchase of books, big budgets many of them. I have this feeling that we are not beginning to reach enough of them, that we could reach more of them. If we could do so our children's book publishing would be much more viable. We would not have the sad case histories that I have outlined. I know that in the States school libraries are very important school book purchasers. As far as public libraries are concerned they have backed our Canadian children's book publishing very well but that market, of course, is not all that great. If you have a good series of children's books, any library will buy it and they keep buying it year after year and that is very encouraging but we need more than that.

As I mentioned, the book store sale does not amount to very much. These books are

usually quite expensive. It is institutional sales that we are interested in.

MR. CAMP: Which would be the backbone of the sale?

MR. TOYE: Yes, that would provide the background of that publishing but it doesn't. There are some reasons, I think. I think one of them has to do with ordering procedures. I think one of them has to do with the fact that probably we don't really reach all schools, all Boards of Education. Many of them buy from American jobbers who do not list these books. There are an awful lot of ramifications. I hinted at this in the passage I wrote that nobody seems to be thinking through the ordering procedure very clearly so that somehow communications are reduced and on the one hand librarians say they want Canadian books and on the other hand the book publishers produce them and they don't get together. I just wish we could find a way to correct that. There are not all that many Canadian books actually.

MR. CAMP: The list is very small?

MR. TOYE: Yes.

MR. CAMP: And largely ignored?

MR. TOYE: That is unfair, they are not completely ignored but they are treated with a certain amount of apathy.

MR. CAMP: You have no suggestion as to why they are in spite of the record?

MR. TOYE: Yes, I think it differs

from province to province or, indeed, from region to region, and that is another thing that is so different. How do you resolve all these complicated procedures, ordering procedures and policies in Departments of Education? In B.C., for instance, where there is a departmental library issue sent out to library supervisors who then do their own library lists and pass that around to their librarians who have all these library lists to use, there is not much consistency there. Some may have some Canadian books if the supervisors have heard of them and others won't.

MR. OWEN: There is far too much dependence in the school libraries on lists, recommended lists of American origin, particularly in the west. They may have a list without a Canadian book on it or if they have it it is because we have sold the book to an American publisher and it appears in a list from the American publisher.

MR. CAMP: Finally, would you explain your third recommendation on page 26? Could you expand on that so that I can grasp it? It is under "Recommendations" section 5 on page 26:

"That the Commission consider carefully the possibility of a policy of subsidizing book manufacturers so that on any book of Canadian authorship they can quote the publisher prices comparable to the costs of books produced for a larger market."

MR. OWEN: This is not a suggestion thought out in detail. It strikes me as a fruitful line of inquiry. In fact, I put it in partly because I would be rather interested to hear what Dr. Jeanneret had to say about it.

MR. CAMP: That is why I asked you.

MR. OWEN: I know that something of the kind is done in Australia and it seems to me a sensible thing that our problem is, as I have said, that we are trying to produce for a very small population books of the same standard in the same kind of price as those produced for the 200 million to the south of us, that the logic is that the manufacturing cost should be brought down per unit to a comparable level with the American level. This could only be done by subsidy and it strikes me as a rather appealing idea that the subsidy should go to the book manufacturer for the production of books of Canadian authorship.

DR. JEANNERET: I was interested you didn't connect it up with the proposal that something be done about the iniquitous manufacturing provisions because until you solve that you are going to have to do some extra subsidizing of the manufacturers here to make them competitive.

MR. OWEN: The Manufacturing Clause applies to American citizens or American residents.

DR. JEANNERET: I know, but until you get rid of it, you can't compete continentally with an industry and our technology gets pretty thin.

MR. OWEN: This and many other subjects were not mentioned in this short brief.

MR. CAMP: If the government agrees to subsidize all Canadian publishers producing a book of Canadian authorship so that the prices would be comparable to those produced for a larger market ---

MR. OWEN: I said manufacturers.

MR. CAMP: What do you mean by manufacturers?

MR. OWEN: Printers and binders. This is getting the cost to the publisher down.

MR. CAMP: You wouldn't even allow a director to sit in the board room and say what he is thinking?

MR. OWEN: I would not like value judgments to be made on this. I just want to get the cost down.

MR. CAMP: It would require a good deal of examination beyond this level of discussion.

THE CHAIRMAN: I suppose the government you had in mind here, with its kindness, would be the federal government?

MR. OWEN: I would think logically it would have to be.

THE CHAIRMAN: I hope you can assure us we are dealing with logic when we advance to that, so we can achieve that object.

DR. JEANNERET: I believe the manufacturing subsidy formula does exist, as you, I believe, have intimated, in Australia. This leads me to ask a question and if any of these questions are requiring answers you prefer to make confidentially, Mr. Owen, please say so and let us have them in the form of a letter. I say this because the Australian subsidy, I think, takes the form of tax credits. What is your taxation status in Canada? That is the taxation status of your firm? I say "status". Are you taxable?

MR. OWEN: Yes and no. Could I answer that confidentially?

DR. JEANNERET: Will you cover the incorporation of the business as well as the tax aspect and, at the same time, explain what your tax status is in the United Kingdom?

MR. OWEN: As I understand it, though it is technically a charitable institution, it ---

DR. JEANNERET: All publishers are.

MR. OWEN: It is a voluntary taxpayer, as if it were a corporation as well.

DR. JEANNERET: My experience in England has been the printing operations in universities are subject to tax, the same as if you were in business there in your own name. In your vast list of titles, Clarendon and Ely House, how many of those do you represent here?

MR. OWEN: The figure usually given is about 15,000. I think, in fact, we start at 8000.

DR. JEANNERET: So you are giving a stock figure too?

MR. OWEN: Yes. The figure usually quoted is 15,000 but I have not really counted it.

DR. JEANNERET: I counted, of Canadian books in print of yours, 131. Is that about right?

MR. OWEN: That is about right.

DR. JEANNERET: Give or take. Roughly how many Canadian-authored and Canadian-produced books do you publish each year, roughly? I suppose it goes up and down?

MR. OWEN: It does, as you say, that (indicating). From 10 to 20. I think in the year of 1967 it went up to about 30, didn't it?

DR. JEANNERET: I know you have covered, but do they divide among basic fields of trade and educational? In the trade there are some children's you have done, very good ones.

MR. OWEN: Yes.

DR. JEANNERET: You do them all?

MR. OWEN: We go right across the range, everything except adult fiction. That is one tradition of the university press to be preserved.

DR. JEANNERET: How about poetry?

MR. OWEN: Yes, quite a considerable amount of poetry we handle.

DR. JEANNERET: I have been party to some fascinating correspondence with your colleague, Jonathon Crowther, editor of the post department and the most important piece of which arrived at noon today. It has to do with the Blackwell problem in reverse, operating to the disinterest to the British publishers. After I got my first long letter I answered it by saying that all I could say was that the complaints filled me with a feeling of déja vu and I asked Ron Barker of the Publishers' Association and Barker has made a long observation. I will just read it into the record, that is, to say, I will have it put into the record, because I think it is relevant to this whole problem of buying around in this direction. I won't take time to read it, of course, now. At this point, if the reporters ask for it, I will give it to you:

"OXFORD UNIVERSITY PRESS,
April 14, 1971

"Mr. Marsh Jeanneret,
University of Toronto Press,
University of Toronto,
Toronto 181,
Ontario.

"Dear Marsh:

"I think you should know, if you don't already, that Richard Abel is rapidly expanding his library supply business in this country. There is no doubt that he can supply university libraries with new American academic books quicker and often cheaper than we can, and we have evidence that at least three such libraries are already ordering their requirements through him. This is something we are powerless to prevent even if we wanted to, but the implications are all too plain, and we must inevitably be wary of importing large initial stocks of your books if the prime market is going to be taken from us in this way.

"I mention these facts in the hope that you may be able to control, if not curtail this roundabout way of supplying our market with your books.

"With best wishes yours

sincerely,

"Jonathan Crowther

"Imports Department."

"FROM UNIVERSITY OF TORONTO PRESS
April 22, 1971

"Mr. Jonathan Crowther,
Imports Department,
Oxford University Press,
Ely House,
57 Dover Street,
London W1X 4AH,
E N G L A N D.

"Dear Jon:

"I have your letter of April 14 and I take it very seriously. We shall study the situation closely.

"Beyond that, for an immediate reply I can only say that it fills me with a feeling of deja vu, and an earnest wish - nay, a sincere request - thatyou show your letter of April 41 and this reply to Ron Barker. And may I publish same?

"Yours very truly,

"M. Jeanneret, Director."

"OXFORD UNIVERSITY PRESS, 28 April 1971

"Mr. Marsh Jeanneret,
University of Toronto Press,
University of Toronto
Toronto 181,
Ottawa.

"Dear Marsh,

"Thank you for your letter of 22 April and your reaction to the news about Richard Abel. I shall indeed show your letter and mine to Ron Barker. Where did you want to publish mine? In Scholarly Publishing?

"With best wishes yours sincerely,

"Jonathan Crowther

"Imports Department."

"FROM UNIVERSITY OF TORONTO PRESS
May 5, 1971

"Mr. Johnathan Crowther,

"Dear Jon:

"My reference to wishing to be free to 'publish' our recent correspondence regarding Richard Abel had to do simply with being free to comment on the problem you have raised publicly - but particularly as an example of Blackwell in reverse. Quite clearly, both the UK and Canada will have to do something about such seepage.

"Yours very truly,

"M. Jeanneret, Director."

"OXFORD UNIVERSITY PRESS May 28 1971

"Mr. Marsh Jeanneret . . .

"Dear Marsh,

"Further to our recent correspondence on the dirty deeds of Richard Abel, I attach for your interest copies of the reply I received from Ronald Barker to my letter to him, and of his circular to the members of the Publishers Association. If you have any views on them I should be interested to hear them.

"Yours sincerely,

"Jonathan Crowther, Imports Department."

"THE PUBLISHERS ASSOCAITION, 19 BEDFORD SQUARE, LONDON, W.C.1 24 May 1971

"Jonathan Crowther, Esq., . . .

"Dear Mr. Crowther,

"BUYING ROUND'

"Forgive me for not replying sooner to your letter of 10 May.

I have been having a somewhat difficult correspondence with Blackwells over their operations in the reverse direction from Abel's, and I knew that John Brown would be reporting the OUP situation at the PA Council meeing which in fact took place last Thursday.

"I do not know whether you saw a circular letter which I sent out a few weeks ago on this awkward subject, but I enclose a copy in case not. The Council decided that we should launch a fresh campaign, with a view to at least hodling the line, following the emergency of the dispiriting fact that one or two very important publishers had so despaired of preventing 'buying round' that they were on the point of giving in to it and letting the American market become wholly open to Blackwell and other exporters. I think we have stiffened them against that.

"There should shortly be an article in BOOKSELLING NEWS

(the BA's journal) on this subject, and since Abel (over here) are members of the BA, I would take that opportunity to tackle them with a view to getting their agreement to the 'gentleman's agreement' which we have in respect of exporting to the USA British books which are separately marketed or published there; and I will at the same time bring in the question of their reverse traffic.

"I imagine it is as difficult for Marsh Jeanneret to know what destination Abel has in mind for the books he orders from the University of Toronto Press, as it is for Oxford to know where Blackwell Export intend sending copies which they order without giving a mark. But in the end it is only the publisher himself, on both sides of the Atlantic, who can recriminate with the offending exporter and try to bring him to heel. The trouble with people like Blackwell and Abel is that they are so large

that no one is very keen on forcing a showdown. Happily, however, there have recently emerged a number of small to medium-sized British publishers who have discovered that they are losing sales of right to the USA, or sheet deals or bound copy deals there, and that this loss of income is more important to them than would be the loss of income if they closed Blackwell's account. It may be that Marsh Jeanneret will come to feel the same way about Abel if OUP cut down on their orders of UTP books. But I have a horrid feeling that 'buying round', like the poor, will always be with us.

"Yours sincerely,

Ronald Barker, Secretary."

"THE PUBLISHERS ASSOCIATION
5 May 1971

"Dear Sir(s),

'Buying Round

There is unhappily evidence that American 'buying round' of British books, for which the

American market has been closed, continues to flourish.

"Notwithstanding a 'gentlemen's agreement' reached with members of the Booksellers Association's Export Booksellers Group some years ago, a number of British export booksellers would appear to be supplying American customers with British books in cases where American rights in the book have been sold to an American publishers, where exclusive distribution rights in the book have been granted to an American publisher or distributor, and even where the British publisher has his own American house carrying his entire list.

"The understanding with British export booksellers (taking account of the fact that American copyright law allows American libraries of various kinds to import single copies of books even where their importation would otherwise infringe American copyright) is that the booksellers should not supply more than a single copy to

an American customer, although exceptionally they might supply as many as two copies.

"Where evidence has been forthcoming that this 'gentlemen's agreement' has been broken, the bookseller in question generally alleges that it was through oversight or through inadvertence; and in one case such a bookseller claims that it is his regular practice when receiving orders from America never to supply from stock but always to apply to the publisher for the copies required, marking the order 'for USA' so that if the publisher supplies the books he feels entitled to send them to his customer. He argues that this might happen even when the publisher might have his own American house, because that house might be out of stock of that particular title at that time, and the customer's needs might be more quickly met if the bookseller supplies him rather than the customer being

required to wait until the publisher's American house has fresh stock. Publishers will know whether or not export booksellers habitually identify orders intended for the USA, and it is for them to take action accordingly.

"This whole question was recently discussed by the PA Council, which believes it to be of the utmost importance that we should continue to take every possible step to prevent the 'buying round' of British books in America. One must not begrudge the export bookseller the orders which he has won by his skill and efficiency, but there are cases where such booksellers are actively seeking orders from American libraries which can only result in going outside the 'gentlemen's agreement' if they are to meet them. The sale of American rights and, even more, the sale of sheets or bound copies for exclusive distribution, are bound to be imperilled if buying round is allowed to continue unchallenged.

Publishers should therefore always give notice to export booksellers as to which of their titles are not available for export to the USA beyond the terms of the gentlemen's agreement.

"The Association is seeking the co-operation of the Booksellers Association in reminding the export booksellers of the terms of the gentlemen's agreement, and the reasons and necessity for its existence.

"It should also be borne in mind that there are nowadays American library suppliers who regularly supply British books to American libraries. It is important that they should be obliged to observe the same limitations as British Export booksellers if the position is to be contained.

"apart from the desirability of containing 'buying round' so that British publishers may maintain sales of rights to America, there is also the very important counterpart consideration that it would be

difficult for us to remonstrate with American publishers when, for example, American paperback editions invaded India and other parts of the British Publishers' Traditional Market, if we were not able to show that British publishers were taking every possible step to protect the interests of American publishers and distributors in the USA, so that we had the right to expect them to do no less.

"Yours faithfully,

"Ronald E. Barker, Secretary

To All Full and Associate Members."

On page 22 of your brief, you state that the Economic Council of Canada's report on Intellectual Property is totally misleading. I think it is too, where it implies the book costs more through you than if purchased through a British jobber. Would you elaborate just briefly on this point, not so much on the arithmetic which we could go on and on about, but more on the side of what you reject in the Economic Council of Canada's report as far as the business is concerned, in general terms?

MR. OWEN: They are comparing UK list price, which is what our library pays the UK bookseller. In comparing the UK list price to Canadian list price, which is not paid by libraries to suppliers in Canada, because all of the various libraries buying in Canada get large discounts. And the effect of comparison between UK list price and Canadian library price, which is anywhere up to 35 per cent or more off the Canadian list price.

DR. JEANNERET: So the arithmetic they show in their example, you think is irrelevant?

MR. OWEN: It is irrelevant.

DR. JEANNERET: One more question: Your last recommendation you say:

> "That Ontario and other provincial governments require all university, public, and school libraries to buy only from the Canadian publisher or from dealers who undertake to buy from the Canadian publisher all books on which that publisher holds the market rights."

I would ask you if you would request us to make such a recommendation to be applicable regardless of availablility from the Canadian agent of the book required, that is to say, should they wait and be served by the agent

in the agent's own good time, or should they be free of such a restriction if a book is not available? I would also ask whether or not competitive costs should be a consideration in the obligation that you asked us to recommend be imposed? In other words, availability and costs, should they be factors in this obligation?

MR. OWEN: I don't think availability can be. You are referring, Dr. Jeanneret, to a suggestion you ---

DR. JEANNERET: Not necessarily to that.

MR. OWEN: If I might comment on that, as I understand it, you suggested that the library might be required to order first from the Canadian publishers and after -- what was it -- a week or ten days?

DR. JEANNERET: That was librarians be required to expose its order and the Canadian agent, if he had it in stock, might have the right to claim that order.

MR. OWEN: Yes.

DR. JEANNERET: Or the jobber might be able to.

MR. OWEN: I suggest roughly half the time the book is not available in Canada -- let us consider a British book -- it is very likely because the book happens to be out of stock with the original publishers. It may be reprinting, a new binding may be being done and,

hence it is not available, so this criterion breaks down as a measure of the efficiency of the Canadian publisher. It is not necessarily through inefficiency that he doesn't have the book there at that brief moment.

DR. JEANNERET: You could say "except when it is out of print".

MR. OWEN: I don't say out of print, but when it is temporarily just not available. I don't see any system -- your idea is if a Canadian publisher says "No, I haven't got it" he loses the order and it goes to Blackwells.

DR. JEANNERET: He might lose the order just as he might lose it today or the library might be willing to wait. Sometimes they are willing to wait today.

MR.OWEN: Yes. I think generally, if you are going to recognize the contractual market rights, arrangements between publishers in one country and publishers in this country, you have got to recognize them.

DR. JEANNERET: If you are going to give legal force to the agency system, you are going to require that libraries -- and we have heard the problems of the university libraries stated very clearly and all publishers know them -- we are going to have to give force to a system where books are represented, whole libraries are represented by agent carrying 5

per cent of the books in print in many cases and that is more, I think, than one can reasonably ask any company.

MR. OWEN: Of course, as long as their market is scooped away from them they are going to understock.

DR. JEANNERET: The proposal we were discussing the other day would have the trend of reversing the whole incentive and the publisher who failed to have the book in stock the first time would jolly well see he had it the next time.

MR. OWEN: I agree that is better than nothing which we have now.

DR. JEANNERET: We have nothing now.

THE CHAIRMAN: I suppose what you are really urging upon the Commission is item number 1, that we should get on with the business which would be to make another interim report which would generalize the whole business on subsidized loans.

MR. TOYE: May I say a word, a few words, which I might put into my part of the brief?

THE CHAIRMAN: Certainly.

MR. TOYE: I went on for a page or so about the difficulties of having school teachers write textbooks and this was referred to earlier and it seems clear it is desirable.

This may have been mentioned before, but it seems to me to be worth recording that one way of improving this situation would be to offer assistance to a school teacher who had a book in him. It seems to me unfair to require a teacher who gets the urge to have to do it alone among his other duties. I thought perhaps some sort of subsidy from the Board might be considered as a means of allowing a teacher the kind of time and relaxation, you know, that most writers seem to need in order to get a book out. All publishers work with teachers who are so busy and are doing their writing at night and it is not very well done and has to be done over by the publisher.

(Page 1922 follows)

The other thing is that I spoke earlier about the difficulties of connecting Canadian children's books with the school libraries who seem to want them. It seems to me that there is a great need for a Canadian review journal that would perhaps double as some sort of cumulative index of Canadian children's books. In my experience with school and children's libraries I am amazed at the number of elementary school librarians in this case who have said, "Well, what are the Canadian children's books?". They don't know what they are. I am thinking particularly of out west of librarians who use American journals, review journals and who don't even use English ones. It seems to me that some authoritative review journal that would go clear across the country would be very acceptable. There is one in Ontario, In Review, and it is very good but it is pretty well restricted to Ontario.

That is all, thank you.

THE CHAIRMAN: Gentlemen, we appreciate your speaking to us, thank you very much.

SUBMISSION OF INDEPENDENT PUBLISHERS' ASSOCIATION

THE CHAIRMAN: We have with us now representatives of the Independent Publishers' Association, Mr. Peter Martin, President, Dr. William Clarke, Vice-President and Mr. Roy MacSkimming, Secretary. Who will speak for the group?

MR. MARTIN: Mr. Chairman, I am going to be very short about the brief. I am not going to try in any sense to summarize the brief. I have just a few comments on it.

I think perhaps the most significant thing about this brief or submission which you now have in front of you is that we are three Toronto publishers but the Independent Publishers' Association is a grouping of publishers from coast to coast in this country, many of them very small, some of them in the front ranks of Canadian publishers. The formation of the IPA a few weeks ago, finally, represents, I think, for the first time that there has been any kind of organized voice for a lot of the very small but nevertheless valuable houses that do exist right across this country, some of them publishing locally, some of them publishing in specialized ways and all of them of great value to Canada.

In the brief itself in the early pages it is a historical kind of background. I put in a very mild disclaimer on that. This is one version of the events that have gone on over

the last year, the pattern of events in the last year or so, in Canadian publishing. I think there are a lot of other versions of who did what to whom and when and what happened. Perhaps if I were to make a general comment on it it would be that suddenly a whole bunch of people began to realize that there was something here that needed to be looked at very hard, the situation of Canadian publishing, and one sequence of events is described in this brief in an attempt to show how the Independent Publishers' Association came into existence.

The following section of basic recommendations in our submission, I am sure, is very familiar to you. I am sure you can quote them verbatim by now. You have had them in several forms submitted to you several times before and you have had an almost infinite number of variations on them presented to you by various people. After that in our submission there is a collection, almost a grab-bag of new recommendations.

At our founding meeting of the IPA we took some time to respond to something that you said, Mr. Chairman, that you wanted to hear some new ideas so we spent several hours scratching our heads and saying, "Okay, let us bring in some new ones". I think you will find there are a few new ones.

You may notice in this submission there is very little on the subject of educational

publishing, It is hard to separate cleanly educational trade publishing but if you look at the list of I.P.A. members you will see that at the moment more of them are trade publishers primarily than are educational publishers. Several of the members who are members of IPA of the established Canadian houses are heavily into educational publishing. If the Commissioners wish to discuss from the viewpoint of IPA on educational publishing, Dr. Clarke, I think, is the man who will comment on that aspect of it. That is really all I want to say by way of introduction to my brief.

THE CHAIRMAN: Do your colleagues wish to say anything? I just want to make a comment before I ask my colleagues to ask you some questions. I note on page 20 of your brief, at the conclusion, you say some kind things about the Commission which, of course, we welcome and you say:

" We have all watched with growing admiration the orchestration of this public performance and the excellence of the players on both sides of the stage. The piece is being beautifully played. We only hope the tune we are hearing is Reveille, not the Last Post."

I don't know whether you are saying that everyone has a chance to give his own view.

MR. CAMP: I wanted to get some

elaboration on a phrase that I think is used more than once in the brief which is, in order to determine the suitability of the qualifications of a publishing firm for the government assistance which you are recommending you say:

" There should be some assessment of the quality of the publisher's past performance and future plans."

Could you enlarge upon that and give me some of the criteria which you think one should weigh in making that kind of assessment?

MR. MARTIN: Mr. Camp, I think you probably recognize those right away as weasel words because what we are getting at, what we are talking about in there is recommending that a process be begun under which criteria would be developed. Now, I don't think any of us, certainly on this side of the room, are in a position now to lay out the criteria or to write the legislation.

MR. CAMP: Not at all, none of us are.

MR. MARTIN: In some cases it is very easy to recognize what it is you are talking about. In the case of some publishing houses -- most publishing houses have a recognizable kind of pattern to their activities and if it changes it changes relatively slowly over a period of time. I would think in this country that at any time there is a general consensus among people who have reason to know and to be interested what a good publisher

is and what a good publisher isn't. Well, it is from that kind of subjective but consensus kind of thing that regulations and procedures and criteria should be developed. My own personal inclination is to think that in such a program you have to determine a fiscal determination also. It is easier to look at figures than to make subjective judgments. Perhaps my colleagues have something to say.

MR. MacSKIMMING: Well, the thing, of course, which led us to talk about this point is the problem of existing loan agencies such as the IDB, the federal government's Industrial Development Bank which makes loans to businesses on the basis of building, land or machinery. Very few publishers invest heavily in these commodities and therefore it is necessary to have some new basis of determining collateral for the publisher.

In another area grants in aid of publication as opposed to loans, there has been some discussion among publishers and among members of the Canada Council that rather than the present system, rather than having the present system only giving a grant for a single book on the basis of manuscripts received, the publisher hearing whether he has or has not the grant six weeks maybe before publication that the Council considered the publisher's performance for the year previously as the basis of working ground.

For example, if the publisher had a poetry program and had published six books of poetry he can then apply to the Council, a grant, so that he may continue that program in the following year and the Council may reasonably expect that he is going to publish another six volumes of poetry and that they are likely to be in the same quality. The grant might, therefore, be given based on the costing of the previous year's six books and the publisher would then submit manuscripts against that total grant. There would still be an element of judgment on the part of the Council's literary critics but the publisher would know that that many was available to him and he would just draw against it from time to time, as he submitted manuscripts and as they were accepted. This would allow a greater degree of tree planning and give the publisher much more confidence in undertaking literary projects.

THE CHAIRMAN: It would be much easier to go under the kind of Council program than to establish here the criteria. Well, let us go one step further. There has been, in my opinion, a legitimate concern expressed as to what one might expect if there were considerably more government activity and assistance in the Canadian publishing field and the degree to which then the government would run the risk or, in fact, might have to make in the process of assessing the quality of the publisher's past performance in future plans

some form of editorial judgment which I doubt that many of your members would support. On the other hand -- just let me finish, Mr. Martin -- on the other hand, if you are going to make the assessment purely on a cash flow basis and on a balance sheet basis you are going to excercise a banker's judgment, then you are going to be a banker and they have already tried to cope with the problem in their own way. So, I would like to ask you if your membership has given any further consideration to this recommendation as to what or who makes this evaluation? Is there a special kind of Board, is there a new Board, is there some body or is it merely going to repose in, let us say, the Cabinet of Ontario, as was the case in the most recent example?

MR. MARTIN: Mr. Camp, I think you have summarized the key problem involved in providing assistance for book publishers. It is perhaps a dilemma kind of problem. I think probably every one of the members has thought about this problem and have probably all reached some tentative conclusions and there are probably as many conclusions as there are publishers. I think at the extremes it is very easy to make decisions. For instance, if Clarke, Irwin were suddenly to do nothing but pornographic paperbacks --

THE CHAIRMAN: I like the term.

MR. MARTIN: At some point there would perhaps be some concern that public money was

being invested in this. They seem to do this in the film industry but in the book industry there might be some concern.

MR. MacSKIMMING: I don't know if it really comes out in the brief but the thrust of many of the comments on the policy session of the first annual meeting of this organization was that all these various types of financial aids were put forward -- loans and co-operative ventures where government wants to see a book published, has a manuscript and licences a publisher to produce it and distribute it, all these things apart from the Canada Council's business of giving grants in aid of literary publication would come under an umbrella of a development publishing corporation similar to other corporations such as CFDC are federal matters.

I personally would like to see a little more discrimination exercised by the officers of the Publishing Development Corporation than is exercised by the C.F.D.C. in the case of some of the films they have bank-loaned. That is what we are in.

MR. CAMP: But you do recognize the difficulty in matters of this kind.

DR. CLARKE: It seems to me that the country is filled with groups of people, committees, national research councils, social science and the Canada Council, you name it, whose responsibility is all the time to evaluate the programs and proposals and past performance. In the case of the National Research Council in better days its policy was to take a young chap who was getting into his first university house and make a reasonable grant to him for his research program and then wait to see if he did anything. If he didn't, then, he had a very hard time getting renewals of the grant, but this might, in fact, continue for the process of a year or so. I think the problem becomes greatly magnified when you try to put on the shoulders of some board or some committee the need for assessing individual books, title by titles. Does this title merit support? Does that one, and so forth, but when you give to some group the responsibility of saying "Is this enterprise involved in a broad program which,

given fluctuations, is nonetheless a positive Canadian program of publishing?". This becomes a much easier question to deal with.

MR. CAMP: The publisher should have a track record?

DR. CLARKE: I think, by analogy, the publisher that is beginning has no track record. It might well be that he might be able to command for a certain limited period of time, a certain limited amount of help on which he had to sink or swim. I see no reason, and I hope I am not being unreasonable about this -- I see no reason for vast amounts of money to be placed at the disposal of people who have lots of ideas and no experience and not too much likelihood of being able to ride all the horses at once, but I think nonetheless that it might be that the smaller group starting up in this could command a small overall -- it probably wouldn't amount to a great deal -- a small starting system based on what they propose to do. They would presumably have to be surrounded by that time by some authors who were prepared to submit manuscripts and so forth. They would have to have a program on it and they would have to produce. I don't think that as long as you stick to the program you have nearly the difficulties that you would if you started to examine individual ventures.

MR. CAMP: Therefore, what you are

saying is that somebody on behalf of the government has to make some determination of the literary value or the market value of the publisher's program? I think that is what you said.

DR. CLARKE: An expression was used at a conference in Ottawa that perhaps what we were looking for was a lenient banker. The suggestion was made there that the government might, the federal government might use its powers of guarantee of liquidity, bad debt reserves, to force some lending institutions or to enable some lending institutions to be more lenient.

THE CHAIRMAN: We have taken notes that suggestions were made at this conference and they are still in the form of notes.

MR. MacSKIMMING: I think Mr. Camp has made an important point but one which may seem a little less urgent if we look realistically at the structure of Canadian publishing. Chances are, I would suggest, that the publishers involved in putting up nurse romances or poor fiction or pornography, or whatever, would not like be able to be governed by the dire need of money. It is those who -- the ones who likely would apply would be the ones who are not going to be too ashamed --

DR. JEANNERET: You mean pornography?

MR. MacSKIMMING: It seems to.

DR. JEANNERET: We should get with it?

MR. MacSKIMMING: I should get with it?

DR. JEANNERET: You mean the pornographic publisher doesn't need help?

MR. MacSKIMMING: That is my impression. I can't speak from personal experience.

MR. CAMP: We are not talking about the prospective publisher who produces pornography, or who produces pulp fiction. I was merely saying -- I am trying to establish in my own mind whether or not your organization would accept the fact that in the kind of loan and assistance policies you are asking of government, that in so doing the government would have to make an assessment of the value of the publishing program and therefore is going to have to make some kind of editorial judgment. That is all. No matter how long a house has been in business or how good it is or what its track record has been, although that my very well be, that nevertheless, that is an editorial and subjective analysis. I suppose you judge the track record of a publishing house by its sales, by its successful titles, by its authors, but nevertheless, among some of your membership you can't really expect a track record yet. You can't expect that much and from

what Dr. Clarke said, I get the impression any publishing house would qualify under such a policy, provided they could produce some indication of their good intentions, but all I am saying is that is a subjective and editorial judgment and it is going to be a government judgment, and that is all right.

MR. MARTIN: Mr. Camp, if I could comment very briefly on that, I don't think anybody ever makes a totally objective judgment when handing over money. I have never met a banker who was totally objective. There is always a subjective element.

MR. CAMP: It may become objective.

MR. MARTIN: It is a subjective judgment when you say yes.

MR. CAMP: I don't want to pursue that any further. It is somewhat of a conflict in my own mind and I am influenced by people who are concerned and alarmed by the prospect of that kind of intervention by government. You are quite right that many of the recommendations have been put forward, but it has -- they are strengthened by the fact that you subscribe to them as well.

DR. JEANNERET: Just two or three questions. I am not speaking to discredit anybody or anything, but not having received the brief until the end of last week, I would like to know how many of the member firms in the

I P A. have seen it?

MR. MARTIN: Very few.

DR. JEANNERET: You are satisfied that they are behind you?

MR. MARTIN: All of them have seen and endorsed the recommendations which appear in the middle of the brief. All of them who attended the founding meeting -- I believe that is all but two of but two of the members on the list on the last page were there and participated in the discussion of the other batch of recommendations. The first section, we did not have time because of our schedule, or your schedule, did not have time to show the historical section to every member of the I.P.A.

DR. JEANNERET: Would you mind identifying in a confidential memo separately the three other I.P.A. members who are all Toronto-based, listed on page 15 when you say:

". . . face urgent and immediate financial crises."?

MR. MARTIN: I can't say that I will. I will ask them if they will allow it.

DR. JEANNERET: We want to know. I don't think it is proper to answer in public.

At page 16 you make the statement that:

". . . royalty income is often concentrated in a single year and --

under present practices -- taxed in a single year."

I think, with respect, you are misleading the Commission and yourselves. I think that is totally incorrect. I have not got the Act here. I haven't had time since I got the brief, but I think it is section 80 that allows you to put it over three years. I draw your attention to that because I think a brief we had earlier had said the same thing. I am not sure, but I think it was a brief with which you were associated?

MR. MARTIN: No.

DR. JEANNERET: I think that is inaccurate.

On page 18 you are talking about the buying around problem. To what extend does the buying around problem affect the members of the I.P.A.? I can think of one or two instances but apart from members who enjoy combined membership in the CBPC and IPA, they don't -- your members don't normally represent principals abroad?

MR. MARTIN: No.

DR. JEANNERET: Following that one up, and I think this is perhaps relevant, setting aside those member that are also CBPC members and who have agencies, the member firms in IPA have not as yet developed either, as I understand it, of the two branches of publishing

which we are constantly being told are essential to survival for any publisher in this country and actually they must be protected or else the publishing industry in Canada goes down the drain. I am speaking about educational publishing on the one hand and agency publishing by importation on the other. This leads me to my question: Do you believe that a Canadian publishing program based wholly on fiction and poetry and possibly some non-fiction, virtually 100 per cent directed at trade publishing, however, can be viable? I would be glad to have your considered thoughts on that question. In other words, you are on the side of the angels, but can you possibly win? Even with a lenient banker, even with a stupid banker, can you win? (Laughter)

MR. MARTIN: You might ask for comments from all three of them.

DR. JEANNERET: I would like to. I think it is very important to decide whether you can survive on pure Canadian trade publishing?

MR. MARTIN: May answer is it appears to be doubtful in the present environment, but surely what we are participating in today here, and what you gentlemen have devoted a lot of time and effort to in the last couple of months, can change that. If you change 'can" to "should" you ---

DR. JEANNERET: Flattery will get

you nowhere.

MR. MARTIN: Can he at the moment? It is doubtful.

THE CHAIRMAN: You recognize it will take time, whatever is done, to change the atmosphere. It is going to be a time-consuming process no matter what.

MR. MARTIN: Yes. I would merely like to get a reaction to that question from Dr. Clarke and Mr. MacSkimming.

MR. MacSKIMMING: A time-consuming process, but how time consuming? If, for example, the setting up of the Publishing and Development Corporation takes as long as the setting up of the C.F.D.C., the Canadian Film Development Corporation, which I believe took 8 years from the time it was first proposed, then, it will be pretty much a futile exercise, unless other measures have been taken in the meantime.

DR. JEANNERET: You are taking for granted there will be some kind of low-cost loans and if you apply them to the field I have been asking the question about, namely, trade publishing, pure and simple Canadian, then you shouldn't even think of low-cost loans. You should think of low-cost subsidization because it doesn't change the long-range picture at all. This is where I fail to follow.

MR. MacSKIMMING: I think I have

a broader, at least from an experience sense, idea of what one can do in trade publishing than just the publishing of fiction and poetry.

I would say that we have found that there is an excellent climate as Jack McClelland and others have said and it is becoming better all the time for Canadian trade books, that our greatest problem is not finding books that are potentially saleable in the trade field, books say on contemporary politics or contemporary society, our difficulty is being able to market them as well as, say, American and British books on American and British politics and society.

DR. JEANNERET: If you have the marketing facilities, can you make a go of trade publication as you define it? You need the two big props you speak about?

MR. MacSKIMMING: I don't think the prop has to be permanently determined. I think what we need is a boost at this point speaking here probably more of the newer houses, a chance to invest more heavily in marketing so that we can get the kind of gross we need in our trade books to create a self-supporting trade book publishing industry.

DR. JEANNERET: I am not forgetting the efforts of the new publishers but they are certainly trying to go about it the hard way from what I have been told. It is practically an impossible way we have been told. Would Dr. Clarke comment on this?

DR. CLARKE: I don't know that I can answer it but I think when you talk about trade

publishing you are talking about the product and certainly one of the results of the change in education has been that the trade product is finding its way more and more into the educational institution, either directly or indirectly to add to the educational dollars.

DR. JEANNERET: Then you are acting as an educational publisher?

DR. CLARKE: Well, when you define the kind of publishing as the marketplace which buys the book whatever book it is, then I think it is a very much easier question to answer. I would agree with you that it is pretty well impossible for a publisher to take away all his institutional sales and survive.

DR. JEANNERET: You are practically saying it is pretty well impossible for most of the new publishers in the IPA to do what they are trying to do?

DR. CLARKE: No, with all respect I think that the new publishers too have an opportunity and should definitely try to take it to sell their product whether it is poetry or whatever it is to institutional buyers.

DR. JEANNERET: But they are going to have to shift gears to do it, they are going to have to get into that field of marketing.

DR. CLARKE: Of marketing and not publishing -- yes, they have to get into that area of marketing and not publishing.

DR. JEANNERET: Well, it is going to interfere with their editorial judgment and publishing the books in order to get into that market.

MR. MARTIN: I think you will find they have been doing that more or less for some time.

DR. JEANNERET: I don't say this critically. It is just an observation of where you are putting your emphasis. You seem to be doing it the hard way.

MR. MARTIN: Take my house, 40 per cent of our business is now educational but we are trade publishers.

DR. CLARKE: I think this is the major change that a house like Peter Martin can make a statement like that,that he is getting 40 per cent of his business in the institutions.

MR. CAMP: The whole problem is the 60 per cent is so small.

THE CHAIRMAN: Well, gentlemen, I am looking at page 7 of your brief which has recommendations and I am looking at the priority which you have given to the people who make statements publicly. I should have thought that you would have mentioned the second man first,if performance is any criterion. You mention the Honourable Gerard Pelletier and the Honourable William Davis.

MR. MARTIN: Mr. Chairman, Mr. Pelletier spoke for us.

THE CHAIRMAN: But he is still speaking.

DR. CLARKE: I don't think we have heard him speak in some time.

THE CHAIRMAN: Perhaps he has given up. But I suppose that relates to your comment:

" At this writing it is difficult for us not to feel that the Federal Government is dragging its heels."

I wonder on page 11, if you want to make any further comment about the remarks which you make about the Canada Council. You say:

" The Canada Council finds many hundreds of thousands of dollars in its budget for symphony orchestras, ballet companies and theatre groups, but in the year from June 1969 to June 1970, it disbursed only about $92,000 to trade book publishers, of which over half went to French-language publishers in Quebec."

Is there any significance to this, do you think?

MR. MacSKIMMING: I think it really reflects the fact that Quebec book publishers have been much more assiduous in the past in obtaining government assistance without apology for their trade publishing.

MR. CAMP: Are you say [illegible] has been the pattern of the grants or is that merely a comment on that year?

MR. MARTIN: As I recall it it is just marginally more than 50 per cent. If there is any further comment to make beside what Roy may make the Canada Council obviously has a responsibility to both language groups in this country and they seem to be discharging their responsibility as closely as they can subject to what is going on on a 50-50 basis. I would not like to see the Quebec publishers cut back on the money they are getting but I think it is significant in fact that money is going 50-50 but the population is two or more to one.

MR. MacSKIMMING: I might mention that at a recent Canada Council meeting our firm found that the amount mentioned here went up in the current fiscal year to $120,000 to book publishers and will be going up in the next fiscal year to $200,000.

THE CHAIRMAN: Is it split between Quebec and the rest of Canada?

MR. MacSKIMMING: It remains to be seen how the $200,000 is distributed but evidently the Canada Council is listening and we hope the amount given to book publishing as compared to the amount given to ballet or symphony orchestras will tend to rise.

MR. CAMP: Were they all comparably greater?

MR. MacSKIMMING: All which?

MR. CAMP: The other votes for the

other items?

MR. MacSKIMMING: The gentleman was reading off a budget sheet and we didn't find that out. My impression is that the other amounts are not rising as quickly as book publishing.

THE CHAIRMAN: Do you want to make any comment about the programs of the Province of Ontario Council for the Arts? Do you think it should be doing more, or is thinking about doing more, or should be doing more?

MR. MacSKIMMING: It should be doing a great deal more in our opinion, if only because there is so much slack to be taken up. The POCA has not started to issue grants to book publishers.

THE CHAIRMAN: There is a recommendation here on page 15.

MR. MacSKIMMING: For awards that might be given by POCA. I might say there is a difference between this recommendation on literary works and the previous one. The Government of Ontario through POCA might consider supplying libraries across the country, school and public, with copies of books that are given awards in this way.

THE CHAIRMAN: I was quite taken, I won't tell you why, with the name of the award that you suggested.

MR. MacSKIMMING: That suggestion is not really IPA policy. That is one of the new ideas

that came up in discussion.

DR. JEANNERET: You can't get around this Commission that way either.

MR. MacSKIMMING: Would it help if I gave you a specific example of what assistance might do for one trade publisher, namely, ourselves? Someone earlier, I think it was Peter Martin, referred to a climate that can be created to improve the position of Canadian publishers. One of the things we hope to do now that the demarcation line is breaking down between the trade and textbook publishers, we have four of our books which we originally intended as trade books -- well, two at the moment, there is one on Circular 14 and we have hopes that others will -- if we are to get any real benefit out of these adaptions it is necessary for us to have a salesman who is spending all, or a good part of his time, talking to Boards of Education and high school teachers. At the moment we don't have the resources to release one of our salesmen from the trade field into education but a loan, a relatively small loan, would allow us to do this, would allow us to hire an educational rep and add thereby significantly to our gross sales in a given year. This then would be an example of a boost that we need, a shot in the arm to get us into the air.

MR. CAMP: Isn't it two titles that are on Circular 14? Are they trade books?

MR. MacSKIMMING: Gordon Watkins To

You and Partner to Behemoth.

MR. CAMP: And that is on Circular 14?

MR. MacSKIMMING: Yes.

MR. MARTIN: The Ontario Department appears this year to have deliberately added some of the books from newer publishers to Circular 14. A couple of our titles are on there and I think Anansi's as well. I think Oberon too.

DR. JEANNERET: Would you mind letting us have a statement of how many copies of those two books you have sold since they appeared on Circular 14 in a separate letter?

MR. MacSKIMMING: I don't think it would tell you too much because they were put on fairly recently.

DR. JEANNERET: Well, as I say since this Circular came out.

MR. CAMP: You say, Mr. Martin, this is a relatively new policy by the department?

MR. MARTIN: It seems to be, Mr. Camp. Our perspective is a very short-range one but last year we didn't have any books on Circular 14 and this year we do, this year we have two. This is kind of in response to the so-called crises in Canadian publishing.

MR. CAMP: On those books do you provide desk copies?

MR. MARTIN: We would and, in fact, we intend to but we haven't done so yet. We are trying to reach the right department heads.

DR. JEANNERET: You can expect a lot of books on Circular 14 probably.

THE CHAIRMAN: I have one final question. You may hear the sound of skates hitting the ice on the answer but in any event I want to ask a question. You have an extract, like Behemoth, an extract from the Constitution of the IPA, Section 3(1) Active Membership:

" Active membership open to any firm, partnership, individual proprietorship, institution or association which meets the following qualifications:

(a) has its chief office of business in Canada;

(b) whose effective managerial, editorial and financial control is in the hands of persons domiciled in Canada, and whose ownership is substantially in the hands of persons domiciled in Canada;--"

I recognize certain meanings of the word "domicile" as opposed to "citizenship". I wonder if you might explain why you have chosen this kind of wording for your membership qualifications?

MR. MacSKIMMING: How this was chosen was after a lot of discussion, there was a lot of blood on the floor when those clauses were argued over, why it was chosen was that I think the feeling among the publishers who are in the Association and are members of the IPA that control

should be here where we can put our finger on it and we don't care perhaps if control has come here fairly recently.

There are IPA members who speak with funny accents, foreigners. They are here as Canadians and they are published as Canadians.

THE CHAIRMAN: You hear a lot about people who come to this country with no commitment to the country. They are here to teach or do things but, boy, there are no commitments to Canada at all, so this is the reason why I asked the question. I said before I started that you might hear the sound of skates on ice. You have explained why. In other words, you want to leave it open to leave the opportunity for people who are not Canadian citizens to participate in ownership, management and control.

MR. MARTIN: It seems to me in the cases I know of, these cases people have made a commitment to Canada insofar as they have dropped various numbers of dollars into Canadian publishing.

THE CHAIRMAN: That, again, is a qualitative decision, whether bringing dollars to Canada means any kind of commitment to this country. It has not generally been.

MR. MARTIN: Bringing them and losing them. Not bringing them in and making a profit and taking them out.

THE CHAIRMAN: Making a buck in the first instance. It is interesting.

DR. CLARKE: I was just going

to say that at the present time, and members of the Commission will remember the problem, but I want to be frank in this to say that there was a group of publishing houses which got together and which expressed concern about the role of the small publisher in Canada and the publisher whose fortunes were, to a large extent, or to an important extent, or the chief extent, tied to Canadian publishing programs. It happens that some of those publishers are not completely owned by Canadian citizens. We made the decision at the time of the founding to put in provisions of this nature which would permit those houses who were already there to qualify for membership. We then went further, however, to provide for election to membership through scrutiny and I think we should make no bones about it that we left the option very much open to the membership to decide on the bona fides of anybody else who wants to come into it.

THE CHAIRMAN: I think it is a fair comment. I have not discussed it with my colleagues and I am making a personal observation that it may well be, if this Commission chooses to make recommendations on points that deal with long-term or low-interest loans or something of this kind, the definition which you use may well not -- which we choose, may well not follow this kind of thing. This might be appreciated.

MR. CAMP: It is a considerably larger

can of worms over here than it is over there.

MR. MacSKIMMING: And your decision could fall on either side of our definition.

THE. CHAIRMAN: Yes. Between the stools or through the holes.

DR. CLARKE: I don't want to have the last word, except to repeat what Mr. Martin has said. I think the importance of this brief is that it does reflect fairly the diversity of opinion and the views of a group of some very small publishers who are just becoming established.

MR. CAMP: Obviously you associate yourself with the brief.

DR. CLARKE: I associate ---

THE CHAIRMAN: Why don't you say "without prejudice"?

DR. CLARKE: I think I associate myself in part with areas of the brief. I think this is a brief reflecting diversity of feeling. I doubt very much if the membership at large, if any single member would espouse the entire brief.

THE CHAIRMAN: Knowing publishers as I do, I doubt they would be swayed to get agreement on anything.

MR. MARTIN: The strength of IPA is there are many opinions, It is not a monolithic organization. It is not a monolithic juggernaut, a behemoth.

SUBMISSION OF THE MIDDLESEX COUNTRY BOARD OF EDUCATION

THE CHAIRMAN: We now have with us Mr. T.G. Lloyd, Chairman of the Middlesex County Board of Education.

Mr. Lloyd, we welcome you. We are sorry you are at the end of the day, but we hope you will be able to bear with us. We have looked at your brief and if you want to discuss it with us and hit the high points?

MR. LLOYD: I really have very little to add to this brief, Mr. Chairman. I didn't think I could add very much by appearing here but it was the desire of my Board that I appear and I had no choice.

THE CHAIRMAN: We are glad that your Board exercised its wisdom on your account.

MR. LLOYD: We feel this is an important part of our culture and it is pointed out in our brief we feel we spend quite a bit of money on books, both text and library, usually $12 to $15 per student per year. Consequently, we feel that the financial aspect of school boards should influence or possibly have some bearing on supporting the Canadian publisher and Canadian author. As we pointed out, we feel that since the Departments do give different types of grants, they would consider a stimulation

grant for books to authors and publishers and also made the recommendation which you probably received before that the Committee possibly could approve books before a publisher is involved in a financial aspect.

The latter part of our brief on page 2 probably refers to something that may not come under your terms of reference,but one we think is rather important, since we wish to get books that last as long as possible. We are quite aware that you are aware of the criticism the Boards of Education are coming under, relative to costs of education, and since we are spending every bit of the $170,000 a year we feel that province-wide, many hundreds of thousands of dollars and possibly millions of dollars could be saved by the Department of Education considering using what we referred to as BMI specifications. I refer to them as BMI because they are the body in the United States who made the recommendations on the quality of books.

I am involved in the graphic arts industry, but not in the area of book publishing. However, I am associated with the Printing Industry of America, as the executive vice-president of the Binding Association of the Printing Industries of America.

DR. JEANNERET: Would you repeat that? I didn't hear you.

MR. LLOYD: I am involved in the Printing Industries of America and I work for a Canadian graphic arts firm not involved in book publishing, but through my association with PIA, of which the Graphic Arts Industry Association is an associate member, I know a little about this area.

DR. JEANNERET: I wondered why you knew so much. It is clear now.

MR. LLOYD: The feeling here is that for a few cents extra books could be made of much better quality and I think there is a tendency -- this is probably the part that wouldinterest you -- there is a tendency for Boards possibly to buy books that are manufactured to a better specification. I would like to make it very clear here that it is not -- the Canadian manufacturers are perfectly capable, if it becomes a cost factor and everybody tries to keep costs down and the only one who suffers is the Board of Education and the taxpayer. I know that we get children's books that are starch-filled cloth instead of box-loaded material and consequently the0 fall apart with one rain.

Our Board feels that our Board of Education should be prepared to support Canadian authors and publishers, even though the cost may be a little more to a Board than under normal circumstances.

Other than that, I have nothing useful to add.

DR. JEANNERET: I think that your brief, brief though it is, was very useful because it highlights the key issues.

This question that you obviously have a good deal of personal background on, related to the Printing Industries of America and Book Manufacturers' Institute, that is BMI in the States, this is a very relevant question and it is only too true -- I am telling you because I think you should know -- if the BMI standards were implemented in Canada, the selling price of the books of Canadian origin would rise so sharply, perhaps 15 or 25 per cent or something of this nature -- that the publishing industry would not be able to withstand the criticism which would be based on misapprehension, so you do point up an area that should be looked at very carefully, I think. I would like to ask you about how many students you have, pupils?

MR. LLOYD: Just under 15,000.

DR. JEANNERET: And books, $170,000 that you stated. I am interested to know whether or not you consider your per-pupil expenditure on books is rather above-average in the province or about average, or what? Do you know?

MR. LLOYD: I really don't know.

Our Board takes a very important viewpoint of resource centres and our library. I can't compare Middlesex County with the rest of the Counties. I would say we were probably a fairly well-off county and take education, you know, as being a very -- the cost is not relevant.

DR. JEANNERET: If I may say this, just by way of observation, we may have been labouring under some misapprehension ourselves as between expenditures on library books and expenditures on textbooks of the Circular 14 category and insofar as purchases of books of Circular 14 category, I suppose your expenditures would be very much smaller, would they not?

MR. LLOYD: Yes.

DR. JEANNERET: You have no idea?

MR. LLOYD: I have no idea.

DR. JEANNERET: Could you find out and be good enough to let us know? What we have been thinking to do and what I think we shall probably study carefully, is to determine what is the per-pupil expenditure on books of Circular 14 category now as compared with 1968 and earlier when the grants were earmarked for that purpose. Once we introduce the purchasing for library books -- this happened with the Toronto Board today -- we

get confused, I think. Don't you agree? I asked you ---

MR. LLOYD: The completion date, 1968, as far as our Board is concerned, may not be very pertinent, due to the fact that we had 22 school boards at this time and some of them being rural school boards, they had a completely different opinion of the quality of education than the County Board has. Consequently, I think you would find, if you could get the figures from 1968, which would entail quite a bit of work, you would find there would be a vast increase in the expenditure on books.

DR. JEANNERET: Not necessarily in the Circular 14 area, though? Previous to 1968 they had to spend a minimum of so much per pupil. Then it was integrated, as you know, so that they could spend it on books or other materials or not on books at all. They could spend it on teachers' salaries.

MR. LLOYD: If I remember correctly -- this is just from memory -- as I was Chairman of our Township School Board at that time, they gave you a $1 grant. They would pay so much of a grant, but if the grant was a percentage figure -- in other words, they said they would give us 60 per cent grant.

Since 40 per cent was paid by the local school board there was still the tendency for them to figure that every dollar they spent they could spend 40 cents so they didn't even take advantage of it. My school board did take advantage of it. I may be wrong but I thought it was a 60 per cent grant up to a maximum of $7 per student.

DR. JEANNERET: I believe it depended on grade level. We had better not get lost in that.

THE CHAIRMAN: I can see we are going to have difficulty getting these statistics because of the transitional aspect of the disappearance of the small Boards and the consolidation into county Boards.

MR. LLOYD: I think if you took 1969 and 1970 you would perhaps get facts that would be more relevant.

THE CHAIRMAN: Well, as you can see we are concerned with the impact on the acquisition of books because of the need to hold to particular budget lines and this might be one of the areas that is going to be hit first.

MR. LLOYD: We also have some professional help in our resource centres to try and keep our costs down and even though we are not using higher professional help but say an elementary teacher, we are trying to stock as many leading authors and Canadian publications as we can and I think if a little more guidance would come forward from the department to separate this, if they would

take a little harder look at books of Canadian content and Canadian authors.

THE CHAIRMAN: How would you personally view the reinstatement of a fixed grant in regard to texts as in the old style or something similar thereto? That is, a fixed designation of the expenditure?

MR. LLOYD: We feel that there are certain administrative problems but yes, we feel it would be beneficial as far as the industry is concerned.

DR. JEANNERET: Would you favour a general distribution to relevant schools of all books on Circular 14?

THE CHAIRMAN: That is free copies. Would that be helpful?

DR. JEANNERET: Single copies so that each school has a complete resource centre for the teachers of books listed in Circular 14.

MR. LLOYD: Yes.

DR. JEANNERET: Under "Books on Hand".

THE CHAIRMAN: Thank you very much for coming. It has been appreciated and our respects to your Board and thank them for their decision to ask you to come.

MR. LLOYD: Thank you very much.

---Adjournment.